Prospectus

for the public offering in the Federal Republic of Germany

of

5,100,000 newly issued ordinary registered shares with no-par value (*Stückaktien*)

from a capital increase against cash contributions from the Authorized Capital 2019/I resolved by the Management Board on 13 May 2020 with approval of the Supervisory Board on 13 May 2020

and of

2,035,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of the Selling Shareholders in a base deal and

1,000,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of the Upsize Option Shareholders, subject to their exercise of an upsize option upon their decision on the date of pricing based on market demand,

and of

1,070,250 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of the Greenshoe Selling Shareholders in connection with a possible over-allotment

and, at the same time

for the inclusion to trading on the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

17,117,870 existing ordinary registered shares with no-par value (*Stückaktien*)
(existing share capital)

and of

up to 5,100,000 newly issued ordinary registered shares with no-par value (*Stückaktien*) from a capital increase against cash contributions from the Authorized Capital 2019/I resolved by the Management Board on 13 May 2020 with approval of the Supervisory Board on 13 May 2020

- each such share with a notional value of EUR 1.00 in the share capital

and with full dividend rights as from 1 January 2019 -

of

Exasol AG

Nuremberg, Germany

Price Range: EUR 8.50 - EUR 10.50

International Securities Identification Number (ISIN): DE000A0LR9G9

German Securities Code (*Wertpapierkennnummer*) (WKN): A0LR9G

Ticker symbol: EXL

Sole Global Coordinator and Sole Bookrunner

Hauck & Aufhäuser Privatbankiers Aktiengesellschaft

14 May 2020

Warning regarding the validity of the Prospectus

The validity of this Prospectus will expire on 13 May 2021. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Table of Contents

1. Summary of the Prospectus

Section 1 - Introduction

1.1 Name and international securities identification number ("ISIN") of the securities:

This EU Growth prospectus (the ***Prospectus***) relates to ordinary registered shares with no-par value (*Stückaktien*) of Exasol AG, Nuremberg, Federal Republic of Germany (Germany) (the ***Issuer*** or the ***Company***, and together with its subsidiaries, the ***Exasol Group***, the ***Group*** or ***Exasol***) and with International Securities Identification Number (ISIN) DE000A0LR9G9 (the ***Shares***).

1.2 Identity and contact details of the Issuer, including its legal entity identifier ("LEI")

The Issuer is Exasol AG. The business address is at Neumeyersstraße 22-26, 90411 Nuremberg, Germany; telephone +49 911 23991-0; website: www.exasol.com. The Issuer's LEI is 529900ZPF6KHG6O3GY79.

1.3 Identity and contact details of the competent authority that approved the Prospectus:

The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or ***BaFin***), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108 0; website: www.bafin.de), has approved this Prospectus as competent authority under Regulation (EU) 2017/1129.

1.4 Date of approval of the EU Growth prospectus:

The Prospectus has been approved on 14 May 2020.

1.5 Warnings:

a) This summary should be read as an introduction to the EU Growth Prospectus and any decision to invest in the securities should be based on a consideration of the EU Growth Prospectus as a whole by the investor.

b) The investor could lose all or part of the invested capital.

c) Where a claim relating to the information contained in the EU Growth Prospectus is brought before a court, the plaintiff investor may, under the national law of the Member States, have to bear the costs of translating the EU Growth Prospectus before the legal proceedings are initiated.

d) Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the EU Growth Prospectus, or where it does not provide, when read together with the other parts of the EU Growth Prospectus, key information in order to aid investors when considering whether to invest in the securities.

Section 2 - Key information on the Issuer

2.1 Who is the Issuer of the securities?

(a) Legal form, the law under which the Issuer operates and its country of incorporation

The Company's legal name is EXASOL AG; it also operates under the commercial name "Exasol". The Company has its registered seat in Nuremberg, Germany, with its business address at Neumeyerstraße 22-26, 90411 Nuremberg, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Nuremberg, Germany under number HRB 23037. The Company is a stock corporation (*Aktiengesellschaft* or *AG*) governed by German law.

(b) Principal activities

Exasol is a global technology company providing a next generation in-memory analytical database that enables customers to access and analyse data at high speed and scale. By using Exasol's database technology organisations are able to implement and operate multiple analytical applications to improve their existing business processes or create new business models, which Exasol believes were previously very difficult, prohibitively expensive or impossible due to existing database performance, hardware and/or cost constraints.

Exasol's proprietary database solution has been designed from the ground up with a focus on data analytical requirements for business. The solution has been conceived and developed on a software-only basis in order to take advantage of continuous third-party advances in commodity server and processor technology, which, according to Exasol's assessment, enables organisations to store, manage, access and analyse data at higher speed and scale, and at lower cost than traditional database technologies. Exasol's database solution has been built from the first line of code to be scalable, performant and connectable to practically any complementary technology in the data analytics space with an emphasis on enabling enterprises to improve and grow their business based on data-driven decisions and operations.

Exasol serves a variety of customers globally and across a broad range of industry sectors ranging from small and mid-market businesses to large enterprises. Exasol's customers use the technology in a wide range of analytical use cases, for example for financial reporting, data visualisation and predictive analytics and increasingly as the strategic enterprise data warehouse. Exasol's customer base consisted of more than 175 customers as of 31 December 2019.

Exasol is headquartered in Nuremberg, Germany, operating from three main locations in Germany, from the UK and the United States and at the date of the Prospectus employs 156 employees around the world.

(c) Controlling shareholder(s)

At the date of the Prospectus, Dr. Knud Klingler indirectly and together with a related person holds approx. 41.1 % of the existing Shares and voting rights of the Company (corresponding to approx. 43.4% of the voting rights in the Company excluding the treasury shares) and is therefore considered to be a controlling shareholder.

(d) Name of the Chief Executive Officer (or equivalent)

The Management Board consists of Aaron Auld (Chief Executive Officer, *Vorstandsvorsitzender*), Mathias Golombek (Chief Technology Officer) and Michael Konrad (Chief Financial Officer).

2.2 *What is the key financial information regarding the Issuer?*

The financial information contained in this Prospectus and in the following tables is, other than where otherwise indicated, taken or derived from the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2019 and 31 December 2018 (the ***Audited Consolidated Financial Statements***), the Company's audited financial statements, cash flow statements and statements on changes of equity as of and for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 (the ***Audited Financial Statements***) and Exasol's internal reporting system. The Audited Consolidated Financial Statements and the Audited Financial Statements of Exasol AG have been prepared in accordance with German GAAP.

Key financial information regarding Exasol Group

Key financial information from the consolidated income statements

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited, except where otherwise indicated)**		
Revenue …………………………………………………………	21,612	17,715	16,972
Operating profit / loss (EBITDA)[1)] for the period (*unaudited*)..	-10,957	1,765	3,527
Consolidated profit / loss for the period ………………………	-13,979	-632	1,318

[1)] *Derived from the Audited Consolidated Financial Statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017***.** *Operating profit / loss (EBITDA) means consolidated profit / loss for the period before amortisation of intangible assets and depreciation of property, plant and equipment, interest and similar expenses, other interest and similar income and income taxes.*

Key financial information from the consolidated statements of financial position

	As of 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited)**		
Assets ………………………………………………………………	31,563	20,655	18,400
Equity ………………………………………………………………	-	-	-
Deficit not covered by equity capital …………………………	20,502	6,494	5,801

Key financial information from the consolidated statements of cash flows

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited)**		
Cash flows from operating activities	2,226	1,228	1,809
Cash flows from investing activities …………………………	-2,678	-2,068	-1,527
Cash flows from financing activities …………………………	-904	864	-3,055

Key financial information regarding Exasol AG

Key financial information from the income statements

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited, except where otherwise indicated)**		
Revenue[1)] (*unaudited*) ………………………………………	8,702	10,506	8,309
Operating profit / loss for the year[1)2)] (*unaudited*) ……………	-6,057	412	511
Net income for the year ……………………………………………	-6,436	230	342

[1)] *Derived from the Audited Financial Statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017***.**[2)] *Operating profit / loss means gross profit less personnel expenses, amortisation of intangible assets and depreciation of property, plant and equipment and other operating expenses.*

Key financial information from the statements of financial position

	As of 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited)**		
Assets ………………………………………………………………	24,057	22,743	20,801
Equity ………………………………………………………………	626	7,062	6,833

Key financial information from the statements of cash flows

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited)**		
Cash flows from operating activities …………………………	3,238	1,062	2,029
Cash flows from investing activities …………………………	-3,413	-2,365	-1,479
Cash flows from financing activities	-807	737	-3,082

Selected key performance indicators

The following table provides an overview of certain selected key performance indicators for Exasol Group derived from the consolidated German GAAP financial statements as for the periods presented:

	For the financial year ended 31 December		
	2019	2018	2017
(EUR in thousands, except where otherwise indicated)	(unaudited)		
Adjusted revenue[1)]	22,183	18,285	15,055
Period on period adjusted revenue growth[2)] (in %)	21%	21%	12%
Operating gross profit[3)]	19,533	16,344	15,023
Operating gross profit margin[4)] (in %)	90%	92%	89%
Adjusted EBITDA[5)]	-618	2,896	2,187
Adjusted EBITDA margin[6)] (in %)	-3%	16%	13%

[1)] *Exasol defines adjusted revenue as revenue less or plus specific non-recurring items. Adjustments include eliminationen of effects resulting from the change of a subscription customer to the license model in 2017 that caused a high one-off effect in revenues in 2017. This one-off effect was eliminated in 2017 and instead the revenues from the subscription model included.*

[2)] *Exasol defines period on period adjusted revenue growth as growth of adjusted revenue in a period compared to the respective previous period in per cent.*

[3)] *Exasol defines operating gross profit as revenue plus other operating income less cost of material.*

[4)] *Exasol defines operating gross profit margin as operating gross profit as a percentage of revenue.*

[5)] *Exasol defines Adjusted EBITDA as EBITDA adjusted for specific non-recurring cost items and specific non-recurring revenue items.*

[6)] *Exasol defines Adjusted EBITDA margin as Adjusted EBITDA as percentage of revenue.*

The following table provides an overview of certain selected key performance indicators for Exasol Group based on data from the internal reporting system for the relevant period as of the dates presented:

	As of 31 December		
	2019	2018	2017
(EUR in thousands)	(unaudited)		
Monthly recurring revenue (MRR)[1)]	1,466	980	848
Annual recurring revenue (ARR)[2)]	17,592	11,760	10,176

[1)] *Exasol defines monthly recurring revenue (MRR) as the sum of all recurring revenues resulting from continuing contractual obligations within the respective month (reporting month). Recurring revenues are revenues from subscriptions (on-premise installation and cloud) and ongoing support services.*

2.3 What are the key risks that are specific to the Issuer?

Risks related to Markets in which Exasol Group operates

- General macroeconomic developments may have a significant adverse impact on Exasol's business.
- Exasol operates in the data analytics market which is competitive and Exasol may face increased competition in this market from new and existing competitors which may result in lower sales prices and margins and/or loss of customers and market share.
- The data analytics market in which Exasol operates is characterised by rapid technological changes and Exasol may be unable to effectively respond to such changes.

Risks related to the Exasol Group's Business

- Possible or perceived disruptions or vulnerabilities in Exasol's products, solutions or cloud infrastructure, including risks from security attacks, may lead to very negative publicity and cause a significant decline in revenue and profits.
- Publicity regarding actual or perceived data securitiy incidents at Exasol or in Exasol's industry could damage its reputation and materially harm its business.
- Exasol may be unable to retain its senior management team and to attract and/or retain skilled employees with suitable technical expertise which could severely harm Exasol's operations and ability to grow.
- Any disruption to, or failure of, Exasol's IT systems, third party infrastructure, including the internet, or suppliers could have a material adverse effect on its business.

Risks related to Exasol Group's Financing

- Exasol's strategy to expand into other markets could fail and lead to material financial losses.
- The Offer Price may be at the lower end of the Price Range and/or the Offering may not be implemented in full, resulting in a shortfall of Offering proceeds available to the Company. Such shortfall may have a significant negative impact on Exasol's growth and profitability.

Risks related to Legal, Regulatory and Tax Issues

- Exasol is subject to privacy, information security and data protection laws and regulations and any actual or perceived failure to comply with such obligations could severely harm its business.

- Third parties may claim that Exasol is infringing their intellectual property and Exasol could become subject to significant litigation or licensing expenses or be prevented from selling products or services.

Section 3 - Key information on the securities

3.1 What are the main features of the securities?

a) Type and class

The Offering relates to ordinary registered shares (*Namensaktien*) with no-par value (*Stückaktien*) of the Company; ISIN: DE000A0LR9G9; German Securities Code (*Wertpapier-Kenn-Nummer, WKN*): A0LR9G; Ticker Symbol: EXL. As of the date of this Prospectus, the Issuer has one class of shares.

b) Currency, denomination, number of Shares issued and term of the securities

The currency of the Shares is Euro. Each Share of the Company represents a notional value of EUR 1.00 in the Company's share capital. The Issuer has issued 17,117,870 existing shares and intends to issue up to 5,100,000 New Shares. The Shares of the Company are issued for an indefinite term.

c) Rights attached to the securities

Each Share of the Company, including the New Shares, entitles the shareholder to one vote at the general shareholders' meeting of the Company and carries full dividend rights as of 1 January 2019. All Shares, including the New Shares, are entitled to a share of any liquidation proceeds or insolvency surplus at the ratio proportionate to the interest they hold in the share capital. In general, shareholders have the right to subscribe for new shares issued pursuant to any future capital increases in a ratio proportionate to the respective interest they hold in the share capital (subscription right).

d) Seniority in case of an insolvency

The shares of the Company are subordinated to all other securities and claims in case of an insolvency of the Company.

e) Dividend policy

The Company will not pay dividends for the financial year 2019. The Company's ability to pay future dividends depends on the amount of distributable retained profits. The Company is not in a position to make any statements on the amount of future retained profits or on whether retained profits will exist at all in the future. Consequently, the Company is unable to guarantee that dividends will be paid in future years. The Company intends to use a major part of its profits, if any, less the proportion to be allocated to the statutory reserve, for financing further growth of its business in the coming financial years and to pay dividends only to the extent that this is consistent with its business and investment planning.

3.2 Where will the securities be traded?

The Company will apply for inclusion of the Company's shares into the Scale segment (with simultaneous inclusion into the Basic Board) of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

3.3 Is there a guarantee attached to the securities?

There is no guarantee attached to the Shares.

3.4 What are the key risks that are specific to the securities?

- The share price and trading volume of the Company's shares could fluctuate significantly and investors could lose all or part of their investment.
- Significant shareholders of the Company may use their influence at general shareholders' meetings to adopt or block resolutions thereby serving their own interests which may conflict with the interests of the Company or other shareholders.
- The Company may not be able to pay dividends in the near future.
- Future sales of Shares by the Company's shareholders, or the perception that such sales occur, could depress the price of the Company's Shares.

Section 4 - Key information on the offer of securities to the public

4.1 Under which conditions and timetable can I invest in this security?

Offer conditions

The offering relates to the sale of a total of 9,205,250 ordinary registered shares of the Company with no-par value (*Stückaktien*), each such share with a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights as of 1 January 2019, consisting of (i) 5,100,000 newly issued ordinary registered shares with no-par value (*Stückaktien*) from a **capital** increase against cash contributions from the Authorized Capital 2019/I (the ***New Shares***), and (ii) 2,035,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the Selling Shareholders (the ***Base Sale Shares***), thereof 285,000 own Sale Shares of Exasol AG, as well as 1,000,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of SYNTOS Beteiligungs GmbH, Petra Tschunke and Mountain Technology AG (the ***Upsize Option Shareholders***) (the ***Additional Sale Shares***, and together with the Base Sale Shares, the ***Sale Shares***) subject to the exercise of an upsize option upon decision of the Upsize Option Shareholders on the date of pricing based on market demand (the ***Upsize Option***) and (iii) 1,070,250 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of the Greenshoe Selling Shareholders in connection with a possible over-allotment by Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, Kaiserstraße 24, 60311 Frankfurt, Germany (***Hauck & Aufhäuser*** or the ***Sole Bookrunner***) (the ***Greenshoe Shares***, together with the New Shares and the Sale Shares, the ***Offer Shares***).

Scope of the Offering

The Offering consists of an initial public offering of the Offer Shares in Germany (the ***Public Offering***) and private placements in certain jurisdictions outside Germany except for the US, Canada, Japan and Australia which are not subject of this Prospectus (the ***Private Placement***, and together with the Public Offering, the ***Offering***). The Offer Shares have not been and will not be registered under the Securities Act as amended 1933, or with any securities regulatory authority of any state or other jurisdiction in the US.

Price Range and Offer Price

The price range within which purchase orders may be placed is EUR 8.50 to EUR 10.50 per Offer Share (the ***Price Range***). The placement price (the ***Offer Price***) and the final number of Offer Shares to be placed in the Offering have not yet been fixed as of the date of this Prospectus.

Offer Period

The offer period during which purchase orders for the Offer Shares may be submitted will commence on 15 May 2020 and is expected to end on 20 May 2020 (i) at 12:00 noon Central European Summer Time (***CEST***) for retail investors (natural persons) and (ii) at 16:00 CEST for institutional investors (the ***Offer Period***). Institutional investors may place purchase orders directly with the Sole Bookrunner during the Offer Period. Private investors can make purchase orders in the Public Offering on the day after the beginning of the Public Offering through the special subscription functionality (*Zeichnungsfunktionalität)* DirectPlace of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the ***Subscription Functionality***).

Timetable of the Offering

The following is the expected timetable of the Offering, which may be extended or shortened:

15 May 2020:	Commencement of the Offer Period (for institutional investors).
19 May 2020:	Commencement of the Offer Period (for investors, in particular retail investors, which want to submit purchase orders offers via the Subscription Functionality).
20 May 2020:	Close of the Offer Period for purchase orders via the Subscription Functionality at 12:00 noon (CEST) and for institutional investors at 16:00 (CEST). Resolution of the Management Board on the number of New Shares to be issued with consent of the Supervisory Board. Determination of the Offer Price; publication of the Offer Price and number of the New Shares placed pursuant to Article 17 MAR via ad hoc announcement and on the Company's website. After the Offer Price and the final number of Offer Shares to be placed are determined, the Offer Shares will be allotted to investors.
21 May 2020:	The Offer Shares will be allotted to investors (Trade Date).
22 May 2020:	Registration of the implementation of the capital increase regarding the New Shares with the commercial register of the Company. In the event that the capital increase regarding the New Shares is not entered in the commercial register by noon CEST on 22 May 2020, the up to 5,100,000 Shares to be delivered will be made available to the Sole Bookrunner under a securities loan from an existing shareholder.
25 May 2020:	Inclusion of the 17,117,870 existing shares of the Company and the up to 5,100,000 New Shares to trading on the Scale segment of the open market (*Freiverkehr*), of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
26 May 2020:	Book-entry delivery of the Offer Shares against payment of the Offer Price.

Stabilisation Measures, Over-Allotment and Greenshoe Option

In connection with the placement of the Offer Shares and the fulfilment of respective legal requirements the Sole Bookrunner, or persons acting on its behalf will act as stabilization manager and may make over-allotments and take stabilization measures to support the market price of the shares of the Company and thereby counteract any selling pressure. The Stabilization Manager is under no obligation to take any stabilization measures. Where stabilization measures are taken, these may be terminated at any time and without notice. Such measures must be terminated no later than 30 calendar days after from the date the shares of the Company are listed (the ***Stabilization Period***).

Under the possible stabilization measures, investors may, in addition to the New Shares and the Sale Shares, be allotted the Greenshoe Shares (up to 15% of the total number of the New Shares and Sale Shares) in the Company from the holdings of the Greenshoe Selling Shareholders granted by the Greenshoe Selling Shareholders to the Sole Bookrunner under a securities loan (*Wertpapierdarlehen*).

In order to cover a potential over-allotment, the Greenshoe Selling Shareholders granted the Sole Bookrunner an option to purchase up to 1,070,250 Greenshoe Shares in the Company from the Greenshoe Selling Shareholders at the Offer Price (less agreed commissions) in order to satisfy the retransfer obligation of the Sole Bookrunner under the securities loan (the ***Greenshoe Option***).

Plan for Distribution

The allotment of Offer Shares to private investors and institutional investors will be decided by the Company after consultation with the Sole Bookrunner. With respect to the purchase orders via the Subscription Functionality, the Company and the Sole Bookrunner will adhere to the "Principles for the Allotment of Share Issues to Private Investors" (*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*) issued on 7 June 2000 by the German Commission of Stock Exchange Experts (*Börsensachverständigenkommission*).

Dilution

The rights of the Company's shareholders to subscribe for the New Shares from the Capital Increase are excluded. Therefore, the shareholder's percentage ownership in the Company's share capital and its voting rights (excluding treasury shares) will be diluted by 24.91% assuming that all New Shares will be issued.

Prior to the Offering the net asset value of the Company in its Group balance sheet based on the Audited Consolidated Financial Statements as of 31 December 2019 and reflecting the implementation of the Capital increase against contribution in kind resolved by the general shareholders meeting held on 5 December 2019 (the ***Capital Increase in Kind***) amounted to EUR -12.06 million, which corresponds to EUR -0.74 per Share, calculated on 16,236,076 issued Shares of the Company excluding treasury shares.

Based on the foregoing and assuming a full implementation of the Capital Increase by issuing 5,100,000 New Shares against cash contributions and the sale of 285,000 own Sale Shares, as well as assuming an Offer Price of EUR 9.50 per New Share and Sale Share (mid-point value of the Price Range), the Company receives gross issuing proceeds in the amount of EUR 51.16 million and after deducting the total costs of the Company relating to the Listing and the Offering of approximately EUR 3.10 million, the net asset value of the Company would be approximately EUR 36.00 million, representing EUR 1.67 per Share of the Company (calculated on 21,621,076 issued Shares excluding treasury shares).

For existing shareholders of the Company this would correspond to a value enhancement of EUR 2.41 per Share. For investors this would result in a dilution of EUR 7.83, corresponding to 82.47%, per Share, as the adjusted net asset value of the Company attributable to the shareholders of the Company per Share falls short of the assumed Offer Price (mid-point value of the Price Range) by this amount or this percentage.

Total Expenses

The overall costs related to the Offering, including the Sole Bookrunner's commissions depend on the Offer Price and the number of shares that will be placed in the Offering. The Company estimates that the commissions payable to the Sole Bookrunner and attributable to the Company (including a possible discretionary fee) together with the other costs attributable to the New Shares and the 285,000 own Sale Shares as well as the listing of the entire share capital will amount to approximately EUR 3.10 million.

Expenses Charged to Investors

Neither the Company, nor the Selling Shareholders or the Greenshoe Selling Shareholders, nor the Sole Bookrunner will charge investors any expenses or taxes incurred in connection with the Offering. The subscription costs of the investors depend exclusively on the conditions of the custodian bank.

4.2 Why is this Prospectus being produced?

Reasons for the Offering and the Listing

The Company seeks to grow its business in the data analytics industry. The Company believes that through the listing of the Shares it will increase its own visibility, enhance its external profile and improve its brand recognition. Further, the Company assumes that the listing will improve its access to capital markets and diversify its shareholder base, all of which will allow it to grow as a business.

Total net proceeds

The Company will receive proceeds resulting from the sale of the New Shares and of the 285,000 own Sale Shares.

Assuming full placement of 5,100,000 New Shares and 285,000 own Sale Shares at an Offer Price of EUR 9.50, which is the mid-point of the Price Range set for the Offering of the Offer Shares, the total gross proceeds to the Company from the sale of the New Shares will be EUR 48.45 million and from the sale of the 285,000 own Sale Shares EUR 2.71 million. Accordingly, assuming an Offer Price at the mid-point of the Price Range, the net proceeds from the Offering to the Company (after deducting the Sole Bookrunner's commissions and other costs attributable to the Company) will amount to approximately EUR 45.52 million for the New Shares and approximately EUR 2.54 million for the 285,000 own Sale Shares.

The Company will not receive any proceeds from the sale of the Sale Shares (except for the 285,000 own Sale Shares) and a potential sale of the Greenshoe Shares.

Underwriting Agreement

On 13 May 2020, Hauck & Aufhäuser, the Company, the Selling Shareholders, the Upsize Option Shareholders and the Greenshoe Selling Shareholders entered into an underwriting agreement relating to the offer and sale of the Offer Shares in connection with the Offering (the ***Underwriting Agreement***). In the Underwriting Agreement, the Underwriter agreed, subject to certain conditions, to underwrite and purchase the Offer Shares at the Offer Price with a view to offering them to investors in the Offering. The Underwriter agreed to acquire the Base Sale Shares from the holdings of the Selling Shareholders, the Additional Sale Shares, to the extent they exercise the Upsize Option, from the holdings of Upsize Option Shareholders and the Greenshoe Shares from the holdings of the Greenshoe Selling Shareholders and may also sell such shares as part of the Offering.

Material conflict of interest pertaining to the offer or the admission to trading

Hauck & Aufhäuser has been appointed by the Company, the Selling Shareholders and the Greenshoe Selling Shareholders as Sole Bookrunner in connection with the Offering and coordination, structuring and execution of the Offering. In addition, Hauck & Aufhäuser has been appointed to act as the designated sponsor for the Shares. The Sole Bookrunner will receive a commission for his activities upon successful completion of the Offering. The Sole Bookrunner therefore has an interest that as many Offer Shares as possible are placed at the highest price possible.

The Sole Bookrunner and any of his respective affiliates, acting as investors for their own account, (i) may acquire Shares in the Offering and in that capacity may retain, purchase or sell for its own account such Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering and (ii) may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Sole Bookrunner (or his affiliates) may from time to time acquire, hold or dispose of Shares. Further,a Luxembourg umbrella fund of the Sole Bookrunner managed by a subsidiary of the Sole Bookrunner holds Shares in the Company. The Sole Bookrunner therefore has an interest that the Listing occurs and the Company's Shares can be traded on a Stock Exchange.

The members of the Management Board of the Company and the Company have entered into agreements under which the Management Board's members are entitled to receive a special compensation, so-called 'stock appreciation rights', in the event of an initial public offering of the shares of the Company. In addition, as part of their compensation package the members of the Management Board are entitled to stock awards for Shares of the Company for each financial year of the term of their service agreements beginning with a listing of the Company. Therefore, the members of the Management Board have their own interests in a successful completion of the Offering.

Due to shareholding in the Company all members of the Management Board and some members of the Supervisory Board and/or related parties to the members of the Management Board or Supervisory Board, respectively, have an interest that the Listing occurs and the Company's shares can be traded on a Stock Exchange. Further, members of the Supervisory Board and/or their related parties are Greenshoe Selling Shareholders and, therefore, have their own interest in a successful completion of the Offering.

4.3 Who is the offeror and/or the person asking for admission to trading?

The Offer Shares will be offered by the Issuer as well as Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, a stock corporation with its registered seat in Kaiserstraße 24, 60311 Frankfurt, Germany, incorporated and registered in and operating under the Laws of Germany. The Issuer and Hauck & Aufhäuser, acting as Capital Market Partner for the Company, expect to apply for the inclusion of the Shares to trading on the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

2. Zusammenfassung des Prospekts

Abschnitt 1 - Einführung

1.1 Name und internationale Wertpapierkennnummer („ISIN") der Wertpapiere

Dieser EU-Wachstumsprospekt (der ***Prospekt***) bezieht sich auf nennwertlose auf den Namen lautend Stückaktien (Stammaktien), internationale Wertpapier-Identifikationsnummer (ISIN) DE000A0LR9G9, der Exasol AG, Nürnberg, Bundesrepublik Deutschland (Deutschland) (der ***Emittent*** oder die ***Gesellschaft***, und zusammen mit ihren Tochtergesellschaften, die ***Exasol Gruppe***, die ***Gruppe*** oder ***Exasol***).

1.2 Identität und Kontaktinformationen der Emittentin einschließlich Rechtsträgerkennung (*Legal Entity Identifier* - „LEI"):

Emittentin ist die Exasol AG. Geschäftsadresse ist Neumeyersstraße 22-26, 90411 Nürnberg, Deutschland; Telefon +49 911 23991-0; Website: www.exasol.com. Das LEI der Emittentin lautet 529900ZPF6KHG6O3GY79.

1.3 Identität und Kontaktinformationen der zuständigen Behörde, die den Prospekt gebilligt hat:

Die Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Deutschland (Telefon +49 228 4108 0; Website: www.bafin.de), hat diesen Prospekt als zuständige Behörde gemäß Verordnung (EU) 2017/1129 gebilligt.

1.4 Datum der Billigung des EU-Wachstumsprospekts:

Der Prospekt wurde am 14. Mai 2020 gebilligt.

1.5 Warnhinweise:

a) Diese Zusammenfassung sollte als Einleitung zum EU Wachstumsprospekt verstanden werden und der Anleger sollte sich bei jeder Entscheidung, in die Wertpapiere zu investieren, auf diesen EU Wachstumsprospekt als Ganzes stützen.

b) Der Anleger könnte das gesamte angelegte Kapital oder einen Teil davon verlieren.

c) Ein Anleger, der wegen der in dem EU-Wachstumsprospekt enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften seines Mitgliedsstaats möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.

d) Zivilrechtlich haften nur diejenigen Personen, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des EU Wachstumsprospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des EU-Wachstumsprospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

Abschnitt 2 - Basisinformationen über den Emittenten

2.1 Wer ist der Emittent der Wertpapiere?

(a) Rechtsform des Emittenten, für ihn geltendes Recht und Land der Eintragung

Die Firma der Gesellschaft lautet EXASOL AG; sie ist daneben unter der kommerziellen Bezeichnung „Exasol" tätig. Die Gesellschaft hat ihren Sitz in Nürnberg, Deutschland mit der Geschäftsadresse Neumeyerstraße 22-26, 90411 Nürnberg, Deutschland, und ist im Handelsregister des Amtsgerichts Nürnberg, Deutschland, unter HRB 23037 eingetragen. Die Gesellschaft ist eine Aktiengesellschaft (AG) und unterliegt deutschem Recht.

(b) Haupttätigkeiten

Exasol ist ein globales Technologieunternehmen, das eine In-Memory-Analysedatenbank der nächsten Generation anbietet, die es Kunden ermöglicht, mit hoher Geschwindigkeit und Skalierbarkeit auf Daten zuzugreifen und diese zu analysieren. Durch den Einsatz der Datenbanktechnologie von Exasol sind Unternehmen in der Lage, mehrere analytische Anwendungen zu implementieren und zu betreiben, um ihre bestehenden Geschäftsprozesse zu verbessern oder neue Geschäftsmodelle zu entwickeln, die bisher nach Einschätzung von Exasol aufgrund bestehender Einschränkungen der Datenbankleistung, der Hardware und/oder der Kosteneinschränkungen sehr schwierig, sehr teuer oder unmöglich umzusetzen waren.

Die im Eigentum von Exasol stehende Datenbanklösung von Exasol wurde von Grund auf neu entwickelt und konzentriert sich auf die datenanalytischen Anforderungen für Unternehmen. Die Lösung wurde nur auf Softwarebasis konzipiert und entwickelt, um die kontinuierlichen Fortschritte von Drittanbietern in der Commodity-Server- und Prozessor-Technologie zu nutzen, was es Unternehmen nach Einschätzung von Exasol ermöglicht, Daten mit höherer Geschwindigkeit und Größe sowie zu niedrigeren Kosten als herkömmliche Datenbanktechnologien zu speichern, zu verwalten, zugänglich zu machen und zu analysieren. Die Datenbanklösung von Exasol wurde aus der ersten Zeile des Codes entwickelt, um skalierbar und leistungsstark zu sein sowie, um mit nahezu allen ergänzenden Technologien im Bereich der Datenanalyse verbunden werden zu können. Der Schwerpunkt liegt darauf, Unternehmen in die Lage zu versetzen, ihre Geschäftstätigkeit auf der Grundlage datengetriebener Entscheidungen und Abläufe zu verbessern und zu erweitern.

Exasol bedient eine Vielzahl von Kunden weltweit und in einer Vielzahl von Branchen, von kleinen und mittleren Unternehmen bis hin zu Großunternehmen. Die Kunden von Exasol nutzen die Technologie in einer Vielzahl von analytischen Anwendungsfällen, z.B. für die Finanzberichtserstattung, Datenvisualisierung und vorausschauende Analytik und zunehmend als strategischen Unternehmensdatenbank. Zum 31 Dezember 2019 umfasst Exasols Kundenbasis mehr als 175 Kunden.

Exasol hat seinen Hauptsitz in Nürnberg, Deutschland, und operiert in Deutschland von drei Hauptstandorten aus sowie von Standorten in Großbritannien und den USA. Exasol beschäftigt zum Datum des Prospekts 156 Mitarbeiter auf der ganzen Welt.

(c) Herrschende(r) Aktionär(e)

Zum Datum dieses Prospekts hält Dr. Knud Klingler mittelbar und zusammen mit einer nahestehenden Person rd. 41,1 % der bestehenden Aktien und Stimmrechte an der Gesellschaft (das entspricht ca. 43,4% der Stimmrechte an der Gesellschaft ohne die eigenen Aktien) und ist dementsprechend ein beherrschender Aktionär.

(d) Name des Vorstandsvorsitzenden (oder Äquivalent)

Der Vorstand besteht aus den Herren Aaron Auld (Chief Executive Officer, Vorstandvorsitzender), Mathias Golombek (Chief Technology Officer) und Michael Konrad (Chief Financial Officer).

2.2 Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Die Finanzinformationen in diesem Prospekt und in den folgenden Tabellen wurden, soweit nicht anders angegeben, den geprüften Konzernabschlüssen der Exasol AG für die Geschäftsjahre 2019 und 2018 (die ***Geprüften Konzernabschlüsse***), den geprüften Jahresabschlüssen, Kapitalflussrechnungen und Eigenkapitalveränderungsrechnungen der Exasol AG für die Geschäftsjahre 2019, 2018 und 2017 (die ***Geprüften Jahresabschlüsse***) und dem internen Berichtssystem der Exasol AG entnommen oder daraus abgeleitet. Die Geprüften Konzernabschlüsse sowie die Geprüften Jahresabschlüsse der Exasol AG wurden nach HGB erstellt.

Wesentliche Finanzinformationen der Exasol Gruppe

Wesentliche Finanzinformationen aus den Konzern-Gewinn- und Verlustrechnungen

	Geschäftsjahr zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(geprüft, soweit nicht anders angegeben)**		
Umsatzerlöse ……..……………..………………….……..…	21.612	17.715	16.972
Operativer Gewinn / Verlust (EBITDA)[1] (*ungeprüft*)………..	-10.957	1.765	3.527
Konzern-Periodenüberschuss / -fehlbetrag ……..............…	-13.979	-632	1.318

[1] *Abgeleitet aus denGeprüften Konzernabschlüssen. Operater Gewinn / Verlust (EBITDA) berechnet sich aus dem Konzern-Periodenüberschuss/-fehlbetrag vor Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen, Zinsen und ähnlichen Aufwendungen, sonstigen Zinsen und ähnlichen Erträgen und Steuern vom Einkommen und vom Ertrag.*

Wesentliche Finanzinformationen aus den Konzern-Bilanzen

	Zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(geprüft)**		
Vermögenswerte ……………………………………….……	31.563	20.655	18.400
Eigenkapital …….……………………………….……………	-	-	-
Nicht durch Eigenkapital gedeckter Fehlbetrag ……………	20.502	6.494	5.801

Wesentliche Finanzinformationen aus den Konzern-Kapitalflussrechnungen

	Geschäftsjahr zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(geprüft)**		
Netto-Cashflows aus der laufenden Geschäftstätigkeit …………..…	2.226	1.228	1.809
Netto-Cashflows aus der Investitionstätigkeit ……………………..…	-2.678	-2.068	-1.527
Netto-Cashflows aus der Finanzierungstätigkeit ………………..…	-904	864	-3.055

Wesentliche Finanzinformationen der Exasol AG

Wesentliche Finanzinformationen aus den Gewinn- und Verlustrechnungen

	Geschäftsjahr zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(geprüft, soweit nicht anders angegeben)**		
Umsatzerlöse[1] (*ungeprüft*) ……...	8.702	10.506	8.309
Operativer Gewinn / Verlust[1][2] (*ungeprüft*) ...………………..…	-6.057	412	511
Jahresüberschuss ……………………………………………	-6.436	230	342

[1] *Abgeleitet aus den Geprüften Jahresabschlüssen für die Geschäftsjahre 2019, 2018 und 2017.*

[2] *Operater Gewinn / Verlust berechnet sich aus dem Rohergebnis abzüglich Personalaufwand, Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen und sonstigen betrieblichen Aufwendungen.*

Wesentliche Finanzinformationen aus den Bilanzen

	Zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(geprüft)**		
Summe Vermögenswerte ………………………..........................	24.057	22.743	20.801
Summe Eigenkapital ……………………….......................……	626	7.062	6.833

Wesentliche Finanzinformationen aus den Kapitalflussrechnungen

	Geschäftsjahr zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(geprüft)**		
Netto-Cashflows aus der laufenden Geschäftstätigkeit …….….…	3.238	1.062	2.029
Netto-Cashflows aus der Investitionstätigkeit ……………….……	-3.413	-2.365	-1.479
Netto-Cashflows aus der Finanzierungstätigkeit …………….….	**-807**	737	-3.082

Ausgewählte wesentliche Leistungsindikatoren

Die folgende Tabelle gibt einen Überblick über bestimmte ausgewählte wesentliche Leistungsindikatoren für die Exasol Gruppe abgeleitet aus den Konzernabschlüssen nach HGB für die angegebenen Zeiträume:

	Geschäftsjahr zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR, soweit nicht anders angegeben)	**(ungeprüft)**		
Bereinigte Umsatzerlöse[1] ………………………………………………	22.183	18.285	15.055
Wachstum der Bereinigten Umsatzerlöse im Periodenvergleich[2] (in %) ...	21%	21%	12%
Operatives Rohergebnis[3] ………………………………………………	19.533	16.344	15.023
Operative Rohergebnis-Marge[4] (in %) ………………………………………	90%	92%	89%
Bereinigtes EBITDA[5] ………………………………………………..........	-618	2.896	2.187
Bereinigte EBITDA-Marge[6] (in %) ………………………………………..	-3%	16%	13%

[1] *Exasol definiert Bereinigte Umsatzerlöse als Umsatzerlöse abzüglich oder zuzüglich bestimmter nicht-wiederkehrender Posten. Die Anpassungen beinhalten die Eliminierung eines Effekts aus dem Wechsel eines Softwaremiet-Kunden in das Lizenzmodell in 2017, das einen hohen Einmaleffekt auf die Umsatzerlöse 2017 hatte. Dieser Einmaleffekt wurde in 2017 elimiert und stattdessen die Umsatzerlöse aus dem Softwaremiet-Modell berücksichtigt.*

[2] *Exasol definiert Wachstum der Bereinigten Umsatzerlöse im Periodenvergleich als das Wachstum der Bereinigten Umsatzerlöse einer Periode im Vergleich zu der entsprechenden Vorjahresperiode in Prozent.*

[3] *Exasol definiert Operatives Rohergebnis als Umsatzerlöse plus Sonstige betriebliche Erträge abzüglich Materialaufwand.*

Die folgende Tabelle gibt einen Überblick über bestimmte ausgewählte wesentliche Leistungsindikatoren für die Exasol Gruppe basierend auf Daten aus dem internen Berichtssysten für die angegebenen Zeitpunkte:

	Zum 31. Dezember		
	2019	**2018**	**2017**
(in TEUR)	**(ungeprüft)**		
'Monthly recurring revenue' (MRR)[1]………………………….....	1.466	980	848
'Annual recurring revenue' (ARR)[2] ……..…………………..….	17.592	11.760	10.176

[1] *Exasol definiert 'monthly recurring revenue' (MRR) als die Summe aller wiederkehrenden Umsatzerlöse, die sich aus dauerhaften vertraglichen Verpflichtungen innerhalb des betreffenden Monats (Berichtsmonat) ergeben. Wiederkehrende Umsatzerlöse sind Erlöse aus Softwaremiete (vor-Ort-Installationen und Cloud) und laufenden Supportleistungen.*

[2] *Exasol definiert 'annual recurring revenue' (ARR) als den 'monthly recurring revenue' des Berichtsmonats x 12 Monate.*

2.3 Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?

Risiken bezüglich des Marktumfelds, in dem die Exasol Gruppe tätig ist

- Die allgemeine gesamtwirtschaftliche Entwicklung kann erhebliche nachteilige Auswirkungen auf die Geschäftsätigkeit von Exasol haben.
- Exasol ist im Datenanalysemarkt tätig, der wettbewerbsintensiv ist, und Exasol könnte in diesem Markt verstärkten Wettbewerb durch neue und bestehende Wettbewerber ausgesetzt sein, der zu niedrigeren Verkaufspreisen und Margen sowie einem Verlust von Kunden und Marktanteilen führen kann.
- Der Datenanalysemarkt, in dem Exasol tätig ist, ist durch schnelle technologische Veränderungen gekennzeichnet, und Exasol kann möglicherweise nicht effektiv auf solche Veränderungen reagieren.

Risiken bezüglich der Geschäftstätigkeit der Exasol Gruppe

- Mögliche oder vermeintliche Fehler oder Schwachstellen in den Produkten, Lösungen oder der Cloud-Infrastruktur von Exasol, einschließlich Risiken aus Sicherheitsangriffen, können zu äußerst negativen Schlagzeilen und einem erheblichen Umsatz- und Gewinnrückgang führen.
- Das Bekanntwerden tatsächlicher oder vermeintlicher Vorfälle im Bereich der Datensicherheit bei Exasol oder der Branche, in der Exasol tätig ist, könnte die Reputation von Exasol schädigen und erhebliche nachteilige Auswirkungen auf die Geschäftstätigkeit haben.
- Exasol ist möglicherweise nicht in der Lage, seine Führungskräfte zu halten und qualifizierte Mitarbeiter mit entsprechendem technischem Fachwissen zu gewinnen und/oder zu halten, was den Betrieb und die Wachstumsfähigkeit von Exasol erheblich beeinträchtigen könnte.
- Jede Unterbrechung oder Störung der IT-Systeme von Exasol, der Infrastruktur von Drittanbietern, einschließlich des Internets, oder von Lieferanten könnte erhebliche nachteilige Auswirkungen auf die Geschäftstätigkeit haben.

Risiken bezüglich der Finanzierung der Exasol Gruppe

- Exasol's Strategie, in andere Märkte zu expandieren, könnte scheitern und zu erheblichen finanziellen Verlusten führen.
- Der Angebotspreis könnte am unteren Ende der Preisspanne liegen und/oder das Angebot könnte nicht vollständig durchgeführt werden, was zu geringeren Angebotserlöse für die Gesellschaft führen würde. Ein solches Defizit kann sich erheblich negativ auf das Wachstum und die Rentabilität von Exasol auswirken.

Rechtliche, regulatorische und steuerliche Risiken

- Exasol unterliegt den Gesetzen und Vorschriften zum Datenschutz, der Informationssicherheit und zum Schutz des Persönlichkeitsrechts, und jede tatsächliche oder vermeintliche Nichteinhaltung dieser Verpflichtungen könnte dem Geschäft erheblich schaden.
- Dritte könnten behaupten, dass Exasol ihr geistiges Eigentum verletzt, und Exasol könnte erheblichen Prozess- oder Lizenzkosten unterliegen oder am Verkauf von Produkten oder Dienstleistungen gehindert werden.

Abschnitt 3 - Basisinformationen über die Wertpapiere

3.1 Welches sind die wichtigsten Merkmale der Wertpapiere?

a) Art und Gattung

Das Angebot bezieht sich auf nennwertlose auf den Namen lautende Stückaktien (Stammaktien) der Gesellschaft; ISIN: DE000A0LR9G9; Wertpapier-Kenn-Nummer (WKN): A0LR9G; Börsenkürzel: EXL. Zum Prospektdatum hat die Emittentin eine Aktiengattung.

b) Währung, Stückelung, Anzahl der begebenen Aktien und Laufzeit der Wertpapiere

Die Währung der Aktien ist Euro. Jeder Aktie entspricht einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1,00. Die Emittentin hat 17.117.870 bestehende Aktien ausgegeben und beabsichtigt, bis zu 5.100.000 Neue Aktien auszugeben. Die Aktien der Gesellschaft werden auf unbestimmte Zeit ausgegeben.

c) Mit den Wertpapieren verbundene Rechte

Jede Aktie der Gesellschaft, einschließlich der Neuen Aktien, berechtigt den Aktionär zu einer Stimme in der Hauptversammlung der Gesellschaft. Die Aktien sind ab dem 1. Januar 2019 gewinnberechtigt. Sämtliche Aktien, einschließlich der Neuen Aktien, vermitteln einen Anspruch am Liquidationserlös oder Insolvenzüberschuss im Verhältnis ihrer Beteiligung am Grundkapital. Grundsätzlich haben die Aktionäre bei der Ausgabe neuer Aktien ein Bezugsrecht im Verhältnis ihrer Beteiligung am Grundkapital der Gesellschaft.

d) Rang im Fall einer Insolvenz

Die Aktien der Gesellschaft sind im Fall einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Forderungen nachrangig.

e) Dividendenpolitik

Die Gesellschaft geht nicht davon aus, für das Geschäftsjahr 2019 eine Dividende zu zahlen. Die Fähigkeit der Gesellschaft, zukünftig Dividenden auszuschütten, hängt von der Höhe des Bilanzgewinns ab. Die Gesellschaft ist nicht in der Lage, Aussagen hinsichtlich eines zukünftigen Bilanzgewinns oder ob zukünftig überhaupt ein Bilanzgewinn entsteht zu treffen. Dementsprechend ist die Gesellschaft nicht in der Lage zuzusagen, dass in künftigen Jahres Dividenden ausgeschüttet werden. Die Gesellschaft beabsichtigt eines wesentlich Teil eines eventuellen zukünftigen Gewinns, abzüglich Einstellungen in die gesetzliche Rücklage, für die Finanzierung des geschäftlichen Wachstums in den folgenden Jahren zu verwenden und Dividenden nur in Übereinstimmung mit den Business- und Investitionsplan auszuschütten.

3.2 Wo werden die Wertpapiere gehandelt?

Die Gesellschaft wird die Einbeziehung der Aktien der Gesellschaft in das Segment Scale (unter gleichzeitiger Einbeziehung in das Basic Board) des Freiverkehrs der Frankfurter Wertpapierbörse beantragen.

3.3 Wird für die Wertpapiere eine Garantie gestellt?

Es gibt keine Garantie in Verbindung mit den Aktien.

3.4 Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Der Aktienkurs und das Handelsvolumen der Aktien der Gesellschaft können erheblich schwanken und Investoren könnten ihr Investment ganz oder teilweise verlieren.
- Wesentliche Aktionäre der Gesellschaft können ihren Einfluss in der Hauptversammlung nutzen, um Beschlüsse zu fassen oder zu blockieren und damit ihren eigenen Interessen zu dienen, die den Interessen der Gesellschaft oder anderer Aktionäre zuwiderlaufen können.
- Die Gesellschaft ist möglicherweise nicht in der Lage, in naher Zukunft Dividenden auszuschütten.
- Zukünftige Aktienverkäufe durch die Aktionäre der Gesellschaft oder die Wahrnehmung, dass solche Verkäufe stattfinden, können den Kurs der Aktien der Gesellschaft drücken.

Abschnitt 4 - Basisinformationen über das öffentliche Angebot von Wertpapieren

4.1 Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Angebotskonditionen

Das Angebot bezieht sich auf den Verkauf von insgesamt 9.205.250 nennwertlosen auf den Namen lautenden Stammaktien der Gesellschaft (Stückaktien), jeweils mit einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1,00 und mit voller Dividendenberechtigung ab dem 1. Januar 2019, bestehend aus (i) 5.100.000 neuen nennwertlosen auf den Namen lautenden Stammaktien (Stückaktien) aus einer Kapitalerhöhung gegen Bareinlagen aus dem Genehmigten Kapital 2019/I (die ***Neuen Aktien***), (ii) 2.035.000 bestehenden nennwertlosen auf den Namen lautenden Stammaktien (Stückaktien) der Verkaufenden Aktionäre (die ***Basis-Verkaufsaktien***), davon 285.000 Verkaufsaktien der Exasol AG, sowie 1.000.000 nennwertlosen auf den Namen lautenden Stammaktien der Gesellschaft (Stückaktien) aus der Beteiligung der SYNTOS Beteiligungs GmbH, Frau Petra Tschunke und Mountain Technology AG (die ***Erhöhungsoptionsaktionäre)*** (die ***Zusätzlichen Verkaufsaktien***, und zusammen mit den Basis-Verkaufsaktien die ***Verkaufsaktien***), vorbehaltlich der Ausübung einer Erhöhungsoption, über die die Erhöhungsoptionsaktionäre am Tag der Preisfestlegung basierend auf der Marktnachfrage entscheiden werden (die ***Erhöhungsoption***) und (iii) 1.070.250 bestehenden nennwertlosen auf den Namen lautenden Stammaktien (Stückaktien) aus dem Bestand der Greenshoe Verkaufenden Aktionäre im Zusammenhang mit einer möglichen Mehrzuteilung durch Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, Kaiserstraße 24, 60311 Frankfurt, Deutschland (***Hauck & Aufhäuser*** oder die ***Konsortialbank***) (die ***Greenshoe-Aktien***, zusammen mit den Neuen Aktien und den Verkaufsaktien, die ***Angebotsaktien***).

Umfang des Angebots

Das Angebot besteht aus einem anfänglichen öffentlichen Angebot der Angebotsaktien in Deutschland (das ***Öffentliche Angebot***) und Privatplatzierungen in bestimmten Rechtsordnungen außerhalb Deutschlands mit Ausnahme der USA, Kanadas, Japans und Australiens, die nicht Gegenstand dieses Prospekts sind (die ***Privatplatzierung*** und zusammen mit dem öffentlichen Angebot, das ***Angebot***). Die Angebotsaktien wurden und werden nicht nach dem Securities Act in der Fassung von 1933 oder bei einer Wertpapieraufsichtsbehörde eines Staates oder einer anderen Rechtsordnung in den USA registriert.

Preisspanne und Angebotspreis

Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, beträgt EUR 8,50 bis EUR 10,50 pro Angebotsaktie (die ***Preisspanne***). Der Platzierungspreis (der ***Angebotspreis***) und die endgültige Anzahl der im Rahmen des Angebots zu platzierenden Angebotsaktien sind zum Zeitpunkt dieses Prospekts noch nicht festgelegt.

Angebotsfrist

Die Angebotsfrist, innerhalb der Kaufangebote für die Angebotsaktien abgegeben werden können, beginnt am 15. Mai 2020 und endet voraussichtlich am 20. Mai 2020 (i) um 12:00 Mitteleuropäische Sommerzeit ***(MESZ)*** für Privatinvestoren (natürliche Personen) und (ii) um 16:00 MESZ für institutionelle Investoren (die ***Angebotsfrist***). Institutionelle Investoren können ihre Kaufangebote innerhalb der Angebotsfrist unmittelbar bei der Konsortialbank abgeben. Privatinvestoren können ihre Kaufangebote im Rahmen des Öffentlichen Angebots einen Tag nach Beginn des Öffentlichen Angebots über die Zeichnungsfunktionalität DirectPlace der Frankfurter Wertpapierbörse (die ***Zeichnungsfunktionalität***) abgeben.

Zeitplan des Angebots

Nachstehende Tabelle zeigt den voraussichtlichen Zeitplan des Angebots, der verlängert oder verkürzt werden kann:

15. Mai 2020:	Beginn des Angebotszeitraumes (für institutionelle Investoren)
19. Mai 2020:	Beginn des Angebotszeitraumes (für Investoren, insbesondere Kleinanleger, die Kaufangebote über die Zeichnungsfunktionalität abgeben wollen)
20. Mai 2020:	Ende des Angebotszeitraumes für Kaufangebote über die Zeichnungsfunktionalität um 12:00 Uhr (MESZ) und für institutionelle Anleger um 16:00 Uhr (MESZ).
	Beschlussfassung des Vorstands über die Anzahl der Neuen Aktien, die mit Zustimmung des Aufsichtsrats ausgegeben werden sollen. Festlegung des Angebotspreises; Veröffentlichung des Angebotspreises und der Anzahl der platzierten Neuen Aktien gemäß Artikel 17 MAR durch Ad-hoc-Mitteilung und auf der Website der Gesellschaft.
	Nachdem der Angebotspreis und die endgültige Anzahl der zu platzierenden Angebotsaktien festgelegt wurden, werden die Angebotsaktien an Investoren ausgegeben.
21. Mai 2020:	Zuteilung der Angebotsaktien an die Investoren (Trade Date).
22. Mai 2020:	Eintragung der Durchführung der Kapitalerhöhung bezüglich der Neuen Aktien in das Handelsregister der Gesellschaft.
	Für den Fall, dass die Kapitalerhöhung bezüglich der Neuen Aktien bis um Mittag MESZ am 22. Mai 2020 in das Handelsregister nicht eingetragen ist, werden der Konsortialbank die bis zu 5.100.000 zu liefernden Aktien von einem Altaktionär im Rahmen einer Wertpapierleihe zur Verfügung gestellt.

25. Mai 2020: Einbeziehung der 17.117.870 bestehenden Aktien der Gesellschaft und der bis zu 5.100.000 Neuen Aktien in den Handel im Segment Scale des Freiverkehrs an der Frankfurter Wertpapierbörse.

26. Mai 2020: Buchmäßige Lieferung der Angebotsaktien gegen Zahlung des Angebotspreises.

Stabilisierungsmaßnahmen, Mehrzuteilung und Greenshoe-Option

Im Zusammenhang mit der Platzierung der Angebotsaktien und der Erfüllung der jeweiligen gesetzlichen Anforderungen fungiert die Konsortialbank oder in ihrem Namen handelnde Personen als Stabilisierungsmanager und kann Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Kurs der Aktien der Gesellschaft zu stützen und damit dem Verkaufsdruck entgegenzuwirken. Der Stabilisierungsmanager ist nicht verpflichtet, Stabilisierungsmaßnahmen zu ergreifen. Werden Stabilisierungsmaßnahmen ergriffen, können diese jederzeit und ohne Vorankündigung beendet werden. Diese Maßnahmen müssen spätestens 30 Kalendertage nach dem Tag der Notierung der Aktien der Gesellschaft (der ***Stabilisierungszeitraum***) beendet werden.

Im Rahmen der möglichen Stabilisierungsmaßnahmen können den Anlegern neben den Neuen Aktien und den Veräußerungsaktien auch die Greenshoe-Aktien der Gesellschaft aus dem Bestand der Greenshoe Verkaufenden Aktionäre zugeteilt werden (maximal 15% der Gesamtzahl der Neuen Aktien und Verkaufsaktien), die von den Greenshoe Verkaufenden Aktionären der Konsortialbank aufgrund eines Wertpapierdarlehens gewährt werden.

Zur Abdeckung einer möglichen Mehrzuteilung haben die Greenshoe Verkaufenden Aktionäre der Konsortialbank eine Option zum Kauf von bis zu 1.070.250 Greenshoe-Aktien an der Gesellschaft von den Greenshoe Verkaufenden Aktionären zum Angebotspreis (abzüglich vereinbarter Provisionen) eingeräumt, um die Rückübertragungsverpflichtung der Konsortialbank aus dem Wertpapierdarlehen (die ***Greenshoe Option***) zu erfüllen.

Plan für die Zuteilung

Die Zuteilung von Angebotsaktien an Privatanleger und institutionelle Investoren wird von der Gesellschaft nach Rücksprache mit der Konsortialbank beschlossen. Bei den Kaufangeboten über die Zeichnungsfunktionalität halten sich die Gesellschaft und die Konsortialbank an die "*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*" der Börsensachverständigenkommission vom 7. Juni 2000.

Verwässerung

Das Bezugsrecht der Aktionäre der Gesellschaft auf die Neuen Aktien aus der Kapitalerhöhung ist ausgeschlossen. Daher wird der prozentuale Anteil des Aktionärs am Grundkapital der Gesellschaft und an den Stimmrechten (ohne eigene Aktien) um 24,91% verwässert, vorausgesetzt dass alle Neuen Aktien platziert werden.

Vor dem Angebot betrug der Nettovermögenswert der Gesellschaft in ihrer Konzernbilanz auf Basis des geprüften Konzernabschlusses zum 31. Dezember 2019 unter Berücksichtigung der Durchführung der durch die Hauptversammlung vom 5. Dezember 2019 beschlossenen Kapitalerhöhung gegen Sacheinlage EUR -12,06 Mio., das entspricht EUR -0,74 je Aktie, berechnet auf Basis von 16.236.076 ausgegebenen Aktien der Gesellschaft (ohne eigene Aktien).

Hiervon ausgehend und unter der Annahme, dass die Kapitalerhöhung durch Ausgabe von 5.100.000 Neuen Aktien gegen Bareinlagen in voller Höhe durchgeführt wird und sämtliche 285.000 eigenen Verkaufsaktien verkauft werden sowie einem angenommenen Angebotspreis in Höhe von EUR 9,50 je Neuer Aktie bzw. Verkaufsaktie (Mittelwert der Preisspanne), fließen der Gesellschaft Bruttoerlöse in Höhe von EUR 51,16 Mio. zu. Nach Abzug der mit dem Listing und dem Angebot entstehenden Kosten in Höhe von rund EUR 3,10 Mio. beträgt der Nettovermögenswert der Gesellschaft rund EUR 36,00 Mio., das entspricht EUR 1,67 je Aktie der Gesellschaft (berechnet auf der Basis von 21.621.076 ausgegebenen Aktien ohne eigene Aktien).

Für die bestehenden Aktionäre der Gesellschaft würde sich hieraus eine Wertsteigerung von EUR 2,41 je Aktie ergeben. Für Investoren würde sich hieraus eine Verwässerung in Höhe von EUR 7,83, das entspricht 82,47%, je Aktie ergeben, da der auf die Aktionäre entfallende angepasste Nettovermögenswert der Gesellschaft je Aktie den angenommenen Angebotspreis (Mittelwert der Preisspanne) um diesen Betrag bzw. Prozentsatz unterschreitet.

Gesamtkosten

Die Gesamtkosten im Zusammenhang mit dem Angebot, einschließlich der Provisionen der Konsortialbank, hängen vom Angebotspreis und der Anzahl der Aktien ab, die im Rahmen des Angebots platziert werden. Die Gesellschaft schätzt, dass die an die Konsortialbank zu zahlende und auf die Gesellschaft entfallende Provision (einschließlich einer eventuellen freiwilligen Provision) zusammen mit den übrigen Kosten, die auf die Neuen Aktien, die 285.000 eigenen Verkaufsaktien und das Listing des gesamten Grundkapitals der Gesellschaft entfallen, rund EUR 3,10 Mio. betragen wird.

Kosten, die Anlegern in Rechnung gestellt werden

Weder die Gesellschaft noch die Verkaufenden Aktionäre oder die Greenshoe Verkaufenden Aktionäre noch die Konsortialbank wird den Anlegern Kosten oder Steuern im Zusammenhang mit dem Angebot in Rechnung stellen. Die Kosten im Zuammenhang mit der Zeichnung hängen allein von den Bedingungen der depotführenden Bank ab.

4.2 Weshalb wird dieser Prospekt erstellt?

Gründe für das Angebot und die Zulassung zum Handel

Die Gesellschaft beabsichtigt, ihr Geschäft in der Datenanalysebranche auszubauen. Die Gesellschaft ist davon überzeugt, dass sie durch die Notierung der Aktien ihre eigene Sichtbarkeit erhöhen, ihr externes Profil verbessern und ihre Markenbekanntheit verbessern wird. Darüber hinaus geht die Gesellschaft davon aus, dass die Notierung den Zugang zu den Kapitalmärkten verbessern und die Aktionärsbasis diversifizieren wird, was es ihr ermöglicht, als Unternehmen zu wachsen.

Gesamtnettoerlöse

Die Gesellschaft erhält Erlöse aus dem Verkauf der Neuen Aktien und der 285.000 eigenen Verkaufsaktien.

Unter der Annahme einer vollständigen Platzierung von 5.100.000 Neuen Aktien und der 285.000 eigenen Verkaufsaktien zu einem Angebotspreis von EUR 9,50, der den Mittelwert der für das Angebot der Angebotsaktien festgelegten Preisspanne darstellt, wird der gesamte Bruttoerlös für die Gesellschaft aus dem Verkauf der Neuen Aktien EUR 48,45 Mio. und aus dem Verkauf der 285.000 eigenen Verkaufsaktien EUR 2,71 Mio. betragen. Unter der Annahme eines Angebotspreises zum Mittelwert der Preisspanne beläuft sich der Nettoerlös aus dem Angebot an die Gesellschaft (nach Abzug der Provisionen der Konsortialbank und anderer der Gesellschaft zurechenbarer Kosten) demnach auf ca.

EUR 45,52 Mio. aus dem Verkauf der Neuen Aktien und EUR 2,54 Mio. aus dem Verkauf der 285.000 eigenen Verkaufsaktien.

Aus der Veräußerung der Verkaufsaktien (mit Ausnahme der 285.000 eigenen Verkaufsaktien) und einer möglichen Veräußerung der Greenshoe-Aktien fließt der Erlös nicht der Gesellschaft zu.

Übernahmevertrag

Die Konsortialbank, die Gesellschaft, die Verkaufenden Aktionäre die Erhöhungsoption-Aktionäre und die Greenshoe Verkaufenden Aktionäre haben am 13. Mai 2020 im Zusammenhang mit dem Angebot und dem Verkauf der Angebotsaktien einen Übernahmevertrag abgeschlossen (der ***Übernahmevertrag***), gemäß dem sich die Konsortialbank unter bestimmten Bedingungen verpflichtet hat, die Angebotsaktien zu übernehmen. In dem Übernahmevertrag hat sich die Konsortialbank unter bestimmten Bedingungen bereit erklärt, die Angebotsaktien zum Angebotspreis zu übernehmen und zu kaufen, um sie den Investoren im Rahmen des Angebots anzubieten. Die Konsortialbank hat zugestimmt, die Verkaufsaktien und die Greenshoe-Aktien aus dem Besitz der Verkaufenden Aktionäre, der Erhöhungsoption-Aktionäre insofern sie die Erhöhungsoption ausüben, bzw. der Greenshoe Verkaufenden Aktionäre zu erwerben und diese gegebenenfalls auch im Rahmen des Angebots zu verkaufen.

Wesentliche Interessenkonflikte hinsichtlich des Angebots oder der Zulassung zum Handel

Hauck & Aufhäuser wurde von der Gesellschaft, den Verkaufenden Aktionären und den Greenshoe Verkaufenden Aktionären als Konsortialbank im Zusammenhang mit dem Angebot und der Koordination, der Strukturierung und Durchführung des Angebots bestellt. Darüber hinaus wurde Hauck & Aufhäuser als Designated Sponsor für die Aktien ernannt. Die Konsortialbank erhält nach erfolgreichem Abschluss des Angebots eine Provision für ihre Aktivitäten. Die Konsortialbank hat daher ein Interesse daran, dass so viele Angebotsaktien wie möglich zum höchstmöglichen Preis platziert werden.

Die Konsortialbank und alle ihre jeweiligen verbundenen Unternehmen, die auf eigene Rechnung als Investoren handeln, können (i) Aktien im Rahmen des Angebots erwerben und in dieser Eigenschaft für eigene Rechnung solche Aktien oder damit zusammenhängende Investitionen behalten, erwerben oder verkaufen und diese Aktien oder andere Investitionen anders als im Zusammenhang mit dem Angebot anbieten oder verkaufen und (ii) mit Investoren Finanzierungsvereinbarungen (einschließlich Swaps oder Differenzkontrakte) eingehen, mit denen die Konsortialbank (oder ihre verbundenen Unternehmen) von Zeit zu Zeit Aktien erwerben, halten oder verkaufen kann. Darüber hinaus hält ein luxemburgischer Dachfonds der Konsortialbank, der von einer Tochtergesellschaft der Konsortialbank verwaltet wird, Aktien an der Gesellschaft. Die Konsortialbank hat daher ein Interesse daran, dass die Notierung erfolgt und die Aktien der Gesellschaft an einer Börse gehandelt werden können.

Die Mitglieder des Vorstands der Gesellschaft und die Gesellschaft haben Vereinbarungen getroffen, nach denen die Mitglieder des Vorstands im Falle eines Börsengangs der Gesellschaft Anspruch auf eine besondere Vergütung, sogenannte "*Stock Appreciation Rights*", haben. Darüberhinaus haben die Mitglieder des Vorstands der Gesellschaft für jedes Geschäftsjahr der Laufzeit ihres Vertrages, beginnend mit einem Börsengang der Gesellschaft, Anspruch auf Aktienzusagen für Aktien der Gesellschaft. Daher haben die Mitglieder des Vorstands ein eigenes Interesse an einem erfolgreichen Abschluss des Angebots.

Aufgrund der Beteiligung an der Gesellschaft haben alle Mitglieder des Vorstands und einige Mitglieder des Aufsichtsrats und/oder den Mitgliedern des Vorstands bzw. des Aufsichtsrats nahestehende Personen ein Interesse daran, dass die Notierung erfolgt und die Aktien der Gesellschaft an einer Börse gehandelt werden können. Des Weiteren gehören Mitglieder des Aufsichtsrats und/oder ihnen nahestehende Personen zu den Greenshoe Verkaufenden Aktionären und haben daher ein eigenes Intersse an einem erfolgreichen Abschluss des Angebots.

4.3 Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?

Die Angebotsaktien werden durch die Emittentin zusammen mit Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, einer Aktiengesellschaft mit Sitz in Kaiserstraße 24, 60311 Frankfurt, Deutschland, gegründet und eingetragen in Deutschland und dem deutschen Recht unterliegend, angeboten. Die Emittentin und Hauck & Aufhäuser als Capital Market Partner werden die Einbeziehung der Aktien in den Handel im Segment Scale des Freiverkehrs der Frankfurter Wertpapierbörse beantragen.

3. General Information

3.1. Responsibility Statement

Exasol AG, with its registered seat in Nuremberg, Federal Republic of Germany (Germany), and its business address at Neumeyerstraße 22-26, 90411 Nuremberg, Germany, a German stock corporation (*Aktiengesellschaft* or *AG*) registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Nuremberg, Germany, (the ***Commercial Register***), under number HRB 23037 (the ***Issuer*** or the ***Company***, and together with its subsidiaries, the ***Exasol Group***, the ***Group*** or ***Exasol***), together with Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, Kaiserstraße 24, 60311 Frankfurt, Germany (***Hauck & Aufhäuser*** or the ***Sole Bookrunner***) assume responsibility for the contents of this prospectus (the ***Prospectus***) pursuant to Section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare, to the best of their knowledge, that the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no material omission likely to affect its import.

3.2. Subject Matter of this Prospectus

This Prospectus relates to the Offering (as defined below) of a total of 9,205,250 ordinary registered shares of the Company with no-par value (*Stückaktien*), each such share with a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights as of 1 January 2019, comprising:

- 5,100,000 newly issued ordinary registered shares with no-par value (*Stückaktien*) from a capital increase against cash contributions from the Authorized Capital 2019/I resolved by the Management Board on 13 May 2020 with approval of the Supervisory Board on 13 May 2020 (the ***Capital Increase***) (the ***New Shares***); and

- 2,035,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of Exasol AG and KfW, Frankfurt, Germany (the ***KfW***, and together with Exasol AG, the ***Selling Shareholders***) (the ***Base Sale Shares***); thereof

  - 285,000 Sale Shares from the holdings of Exasol AG, and

  - 1,750,000 Sale Shares from the holdings of KfW; and

- 1,000,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of SYNTOS Beteiligungs GmbH, Petra Tschunke and Mountain Technology AG (the ***Upsize Option Shareholders***) (the ***Additional Sale Shares***, and together with the Base Sale Shares, the ***Sale Shares***) subject to the exercise of an upsize option upon decision of the Upsize Option Shareholders on the date of pricing based on market demand (the ***Upsize Option***); and

- 1,070,250 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of Gerhard Rumpff, KfW, SYNTOS Beteiligungs GmbH, Tschunke Beteiligungs GbR, T.i.B.i. GmbH & Co. KG, Petra Tschunke, Oliver Tschunke, Dr. Cornelius Boersch and Mountain Technology AG (the ***Greenshoe Selling Shareholders***) in connection with a possible over-allotment by Hauck & Aufhäuser (the ***Greenshoe Shares***, together with the New Shares and the Sale Shares, the ***Offer Shares***), pursuant to which the Greenshoe Selling Shareholders granted the Sole Bookrunner the option to acquire up to 1,070,250 additional shares from the holdings of the Greenshoe Selling Shareholders in the Company until the 30th calendar day after the inclusion of the Company's shares on the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) at the Offer Price minus the agreed commissions and costs and thereby fulfil his re-transfer obligation from the securities loan (the ***Greenshoe Option***).

Furthermore, for the purposes of inclusion to trading on the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) the Prospectus relates to a total of up to 22,217,870 ordinary registered shares of the Company with no-par value (*Stückaktien*), comprising:

- 17,170,870 ordinary registered shares with no par value (*Stückaktien*) (existing share capital of the Company); and
- up to 5,100,000 New Shares,

each share with a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights as from 1 January 2019.

3.3. Approval of the Prospectus

a) This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - **BaFin***), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108 0; Website: www.bafin.de), as competent authority under Regulation (EU) 2017/1129.

b) BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129.

c) Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Prospectus.

d) Investors should make their own assessment as to the suitability of investing in the securities.

e) This Prospectus has been drawn up as an EU Growth prospectus in accordance with Article 15 of the Regulation (EU) 2017/1129.

3.4. Forward-looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in the Prospectus on future earnings capacity, plans and expectations regarding Exasol´s business, its growth and profitability, as well as the general economic and legal conditions and other factors to which Exasol is exposed.

The forward-looking statements contained in this Prospectus are based on the Company's current estimates and assessments. These forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors. Exasol AG assumes no obligation to update such forward-looking statements or to adjust these to future events or developments, unless it is legally required to do so. Such a legal obligation exists pursuant to Article 23 of the Regulation (EU) 2017/1129 (the ***Prospectus Regulation***) with regard to significant new factors, material mistakes or material inaccuracies of the Prospectus, which have to be mentioned in a supplement.

3.5. Information from Third Parties and Company Estimates

Any information provided in this Prospectus on market shares, market developments and trends, on growth rates, sales in the markets and on the competitive situation of Exasol are based on publically accessible sources or estimates of Exasol AG. The sources of the respective information are listed at the appropriate places in the Prospectus.

To the extent information in the Prospectus was derived from third-party sources, it has been reproduced accurately. As far as Exasol AG is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. However, industry and market research reports and analyses and other sources of third party information are frequently based on information and assumptions that may not be accurate, complete or technically correct, and their methodology is by nature forward-looking and speculative.

The following, mainly publicly available third-party sources were used in the preparation of the Prospectus:

- IDC White Paper, sponsored by Seagate, "Data Age 2025: The Digitalization of the World from Edge to Core", November 2018; available at https://www.seagate.com/files/www-content/our-story/trends/files/idc-seagate-dataage-whitepaper.pdf (***IDC White Paper***);

- Statista: "Revenue from big data and business analytics worldwide from 2015 to 2022; available at https://www.statista.com/statistics/551501/worldwide-big-data-business-analytics-revenue/ (***Statista***);

- Stratistics Market Research Consulting: Description of Market Research Report "Business Intelligence (BI) - Global Market Outlook (2016-2022), March 2017; available at https://www.strategymrc.com/report/business-intelligence-bi-market/description (***Stratistics MRC***);

- TPC®: TPC-H Results; available at http://www.tpc.org/tpch/results/tpch_results5.asp (***TPC-H***);

- Dresner Advisory Services: "Wisdom of Crowds® Analytical Data Infrastructure Market Study", 15 January 2020 (***Dresner ADI 2020***);

- Forrester Research, Inc.: "Insights-Driven Businesses Set The Pace For Global Growth", October 19, 2018 (***Forrester Research***).

Such information generally states that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Irrespective of the assumption of responsibility or the contents of the Prospectus by Exasol AG and the validity of the statements made in the previous paragraph of this section, Exasol AG has not verified the figures, market data and other information used by third parties in their studies, publications and financial information, or the external sources on which Exasol AG estimates are based. Exasol AG cannot give any assurance as to the accuracy of market data contained in the Prospectus which have been taken or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. Therefore, irrespective of the validity of the statements made in the previous paragraph of this section, Exasol AG does not assume any liability for and offers no guarantee as to the accuracy of the data from studies and third-party sources contained in the Prospectus and/or for the accuracy of data on which Exasol AG`s estimates are based. Furthermore, the Prospectus contains market estimates and other data and information which are based on Exasol AG's assessments. These assessments, in turn, are based in part on its own observations of the market, on the evaluation of industry information and data that cannot be obtained from publications by market research institutes or from other independent sources or on internal assessments. The Company believes that its estimates of market and other data and the information that has been derived from such data assists investors to better understand the industry it operates in and its position within it. Its own estimates and the information derived from them have not been checked or verified externally. They may differ from estimates made by its competitors or from future studies conducted by market research institutes or other independent sources. It nevertheless assumes that its own market observations are reliable.

4. Information about the Issuer and its Business

4.1. Information about the Issuer

4.1.1. General Information on the Company

Company name, commercial register data and LEI

The legal name of the Company is EXASOL AG. The Company also operates under the commercial name "Exasol".

The Company is currently registered with the commercial register (*Handelsregister*) kept at the local court (*Amtsgericht*) of Nuremberg under registration number HRB 23037.

The Legal Entity Identifier (LEI) of the Company is: 529900ZPF6KHG6O3GY79.

Incorporation

The Company was incorporated on 25 August 2006 as a German stock corporation under the laws of Germany with the legal name Exasol Holding AG and its registered office in Nuremberg. The Company had an initial share capital of EUR 86,950, divided into 86,950 registered shares with no-par value. It was entered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Nuremberg on 5 December 2006.

The economic predecessor of the Company was Exasol GmbH, a German limited liabitly company with its registered office in Nuremberg, Germany, that had been established on 1 September 2000 and was registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Nuremberg under registration number HRB 20262. On 25 August 2006, Exasol GmbH as transferring entity was merged with the Company as absorbing company in accordance with the provisions of the German Transformation Act (*UmwG*). The merger became effective with registration in the commercial register of the Company on 6 December 2006. In consequence of the merger, Exasol GmbH ceased to exist pursuant to Section 20 para. 1 no. 2 UmwG. For purposes of the merger, the share capital of the Company was increased by EUR 5,958,050 to EUR 6,045,000.

On 25 August 2006 the general shareholders' meeting of Exasol Holding AG concurrently with the merger further resolved to change the legal name to Exasol AG. The change was registered in the commercial register (*Handelsregister*) of the Company on 6 December 2006.

Duration, financial year and corporate object

The Company has been established for an indefinite period of time.

The Company's financial year is the calendar year.

The object of the Company is system development and system consulting in the field of information technology.

Legal form, relevant legal system, address, website

The Company is a stock corporation (*Aktiengesellschaft*) which has been incorporated in Germany and is subject to the laws of Germany.

The Company's registered business address is Neumeyerstraße 22-26, 90411 Nuremberg, Germany. The Company can be contacted via phone at +49 911 23991-0. The Company's website is www.exasol.com. Information contained on the Company's website is not incorporated by reference in this Prospectus and is not part of this Prospectus.

Publications

According to section 6 of the Company's articles of association (the ***Articles of Association***) the Company's notifications are published in the German Federal Gazette (*Bundesanzeiger*).

Auditors

The annual financial statements of Exasol AG prepared in accordance with German GAAP as of and for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 as well as the consolidated financial statements of Exasol AG prepared in accordance with German GAAP as of and for the financial years ended 31 December 2019 and 31 December 2018 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany, which issued in each case an unqualified independent auditor's report (*uneingeschränkter Bestätigungsvermerk*).

KPMG is a member of the German Chamber of Public Auditors (*Wirtschaftsprüferkammer K.d.ö.R*), Rauchstraße 26, 10787 Berlin, Germany.

4.2. Business

4.2.1. Overview of Exasol's Business

Exasol is a global technology company providing a next generation in-memory analytical database that enables customers to access and analyse data at high speed and scale. By using Exasol's database technology, organisations are able to implement and operate multiple analytical applications to improve their existing business processes or create new business models, which Exasol believes were previously very difficult, prohibitively expensive or impossible to implement due to existing database performance, hardware and/or cost constraints.

Exasol's proprietary database solution has been designed from the ground up with a focus on data analytical requirements for business. The idea behind the Exasol database technology has been to understand and find an innovative solution for existing technological constraints and bottlenecks in data storage, accessibility and processing, while leveraging available hardware and infrastructure resources. The resulting concept is a massively parallel, in-memory database solution conceived and developed on a software-only basis in order to take advantage of continuous third-party advances in commodity server and processor technology, e.g. by Intel©, AMD©, Dell©, HP©, etc. According to Exasol's assessment, this solution enables organisations to store, manage, access and analyse data at higher speed and scale, and at lower cost than traditional database technologies. Exasol believes that the architectural technology decisions made at the conceptual stage and during the development process since then, a consistent innovation track record, the sophistication and collective know-how built into the Exasol solution provides entry barriers for legacy vendors and new market entrants.

Exasol's database solution has been built from the first line of code to be scalable, performant and easily connectable to practically any complementary technology in the data analytics space with an emphasis on enabling enterprises to improve and grow their business based on data-driven decision-making.

Exasol believes it is in a good position to benefit from compelling technological trends such as digital transformation and the parallel evolution of the data analytics market and the need for high performing data analytical solutions. Today, data is often perceived as the most important asset within companies' organisations, and the transformation into a digital, data-driven organisation that leverages data across multiple aspects of the enterprise for monitoring and optimizing the business as a whole has become a strategic imperative for surviving in a rapidly changing world and for creating a competitive advantage.

Exasol serves a variety of customers globally and across a broad range of industry sectors ranging from small and mid-market businesses to large enterprises. Exasol's customers use the technology in a wide range of analytical use cases, for example for financial reporting, data visualisation and predictive analytics and increasingly as the strategic enterprise data warehouse. Exasol's customer list includes more than 175 customers as of 31 December 2019. In addition, a significant part of Exasol's revenue (70% of the total revenue in the year ended 31 December 2019) is derived from recurring revenues through subscriptions and recurring support contracts.

Exasol is headquartered in Nuremberg, Germany, operating from three main locations in Germany, from the UK and the United States and at the date of this Prospectus employs 156 employees around the world.

4.2.2. Key Competitive Strengths

Exasol believes that its business is characterized by a number of key strengths that set it apart from its competitors:

4.2.2.1. Exasol has developed one of the most powerful database analytics engines in the market today through a next generation, software-based "database engine" which enables ultra-fast and highly efficient data analytics

Exasol has developed a database analytics engine that stands out from the competition in three key areas:

- **Leading Performance** - Exasol has one of the fastest database engines in the market. "Hot" or highly relevant data is stored persistently in main memory (RAM) which allows for extremely fast data access and data analytics, while proprietary algorithms continuously determine which data is "hot" or "cold", and should either be stored in RAM or on local disk as the case may be. This intelligent in-memory architecture, combined with a strong background of MPP (Massively Parallel Processing) computing, its columnar storage architecture and smart compression algorithms make Exasol one of the most powerful and fastest analytics databases in the world. With few exceptions Exasol delivers much higher query performance than both existing legacy systems and newer database technologies, which are not based on in-memory technology. This in turn leads to faster analytical response times, the ability to analyse larger data volumes while providing more users with real-time access to data analytics for their everyday business. Overall it provides enterprises with the capability to build a sophisticated and scalable data environment to drive business through insights. As measured by the only global and independent benchmark for query performance and price, Exasol has maintained its position as the clear leader for both raw analytical performance and price-performance since 2008 (*source: TPC-H*).

- **High Flexibility** - The database can be implemented in just about any typical IT environment and platform (e.g. public cloud, private clouds, on premises, etc.) and installed in a much shorter timeframe than most rivals' solutions thanks to the open architecture and automated installation processes. Exasol also requires less time and effort to be put into operation and requires very little maintenance and support compared to other leading competitors in the market. Exasol's open framework means that organisations can avoid unwanted platform, vendor or architecture lock-in. Exasol's open integration platform is designed to provide customers with smart and extensible analytical capabilities in order to help drive their digital transformation processes.

- **Reduced Cost** - Exasol provides its customers with the predictability, flexibility and control to significantly reduce their total BI (Business Intelligence) and data analytics cost. This is achieved at several levels due to intelligent algorithms which monitor usage and perform self-tuning tasks to optimize performance and minimize database administration overhead. Furthermore, due to Exasol's capability to extract optimal performance out of available infrastructure, customers benefit from highly efficient data processing which allows them to substantially reduce hardware cost for the same or usually higher performance - the database is designed to run on commodity server hardware and benefits over time from the continuous advances in server technology as independently developed by third-party vendors, such as Intel, AMD, Dell or HP, for the general market. Customers also benefit from different license models, which address diverse customer use cases and can provide significant cost savings versus legacy database vendors’ license and support models.

4.2.2.2 Exasol is well-positioned to capitalise on a vast, fast-growing total addressable market supported by technological trends

Exasol is well positioned as a disrupter in the multi-billion dollar database analytics market. Data volumes are expected to grow by 27% per year from 2018 until 2025 supported by global megatrends (*source: IDC White Paper, page 22*). Global market growth is being fuelled by the massive increase in the usage of data analytics at all levels of organisations from data scientists to top management, coupled with the rising adoption of cloud technologies and a growing dependency on data in decision making (*source: Stratistics MRC*). Forrester forecasts that insights-driven businesses will grow at least seven times faster than global GDP (gross domestic product) (*source: Forrester Research, page 3*). The Global Analytics Market was worth USD 169bn in 2018 (*source: Statista*); the Company estimates that the traditional database management system (DBMS) market accounted for approx. 25% to 30% of this. Exasol operates in these markets and believes the total addressable market for the next generation of database analytics is currently underpenetrated, with new incumbents gaining market share from oligopolistic incumbents who are not able to offer the same quality of analytical database solutions as Exasol.

4.2.2.3 Attractive financial profile with high and stable gross profit margins

Exasol has a strong track record of reliable organic growth, which has been accelerating due to multiple internal and external factors such as growing brand awareness and increasing adoption of data analytics in the market. Despite various impediments, including a lack of external funding, a minority shareholder blocking major strategic decisions and the ongoing switch to a subscription based revenue model the Company has organically delivered adjusted revenue CAGR of 24% between 2015 and 2019. Annual recurring revenue (ARR) growth continues to accelerate, with 50% growth in the year ended 31 December 2019 compared to the year ended 31 December 2018.

Exasol’s scalable infrastructure and platform allows it to yield a stable and high gross profit margin. Operating Gross Profit margin was 90% for the year ended 31 December 2019 having been above 80% and consistently increasing annually every year since 2016.

4.2.2.4. High visibility on earnings with significant and increasing recurring revenue

Exasol’s attractive financial profile is supported by strong visibility of revenues and low annual customer churn rates. Exasol’s recurring revenue as a percentage of revenue, including subscriptions and recurring support contracts, was 70% for the year ended 31 December 2019 having increased from 66% in 2018 following its ongoing transition from license to subscription-based model. Annual customer churn has been in the range of 4% and 5.5% between 2016 and 2018. In the year ended 31 December 2019 annual customer churn was 4.0%.

This high and increasing level of monthly recurring revenue coupled with a low level of net customer churn provides significant visibility on future earnings.

4.2.2.5 Exasol’s database analytics solutions are highly scalable

Exasol’s analytical database solution has been designed and built from the first line of code to deliver sustainable value to customers across multiple geographies, platforms and for different types of use cases. The underlying concepts of ease of use, platform and infrastructure independence, scalability and efficiency are geared towards simple and fast adoption and sustainable growth over time.

The Exasol enterprise database edition is commercially available as a highly-standardized and out-of-the-box software version which means that it is ready to deploy with little to no customization required before going into production in the customer IT environment. The product is very straightforward to install, operate and extend which makes adoption, operation and scaling very straightforward. Further, a whole range of online training courses and certifications (https://exacademy.exasol.com) are available to manage the training of new users and partners. The Company intends to increase and broaden the levels of documentation, online-videos and white papers available to existing and potential customers in order to further simplify and increase adoption and ease of use, for audiences from non-technical users to highly qualified database engineers and architects.

Exasol’s license model is primarily based on data volume which generally supports solid growth potential within the customer base, due to constantly growing data volumes, increasing data sources and applications, and growing number of users. Further, Exasol is able to win customers in vertical spaces, such as Financial Services, Retail and Heath Care, but also horizontally across multiple verticals, as data analytical use cases are frequently non-industry specific and necessary for implementing data-driven business strategies independent of the line of business.

A positive facilitator of Exasol’s international growth has been the recent and growing impact of cloud computing. By supporting the public cloud marketplaces Amazon Web Services, Microsoft Azure and the Google Cloud Platform, it has become much easier to get introduced to, test and implement Exasol. Further automation of Exasol’s software as a service (SaaS) offering will potentially lead to faster and easier adoption across multiple geographies without the necessity of personal interaction, but rather through automated platform market places and independent partner organisations. The Community Edition has proven to be a powerful awareness and sales tool for discovering and becoming familiar with the Exasol database before deeper adoption, which Exasol also intends to promote more strongly, whether to universities and research institutes, or to groups privately organized around data engineering, analytics and data science projects.

4.2.2.6 Strong customer relationships and high quality and diverse customer base

Since its inception, Exasol has experienced solid growth of its customer base, expanding from 87 in 2015 to 175 customers as of 31 December 2019. Exasol has established business locations in Germany (Nuremberg, Hannover and Berlin), UK (London) and the United States (Atlanta) and already has a growing customer base in each of these locations. Furthermore, due to the public cloud Exasol has now started sourcing customers in other global regions where Exasol does not currently maintain bricks and mortar offices.

Existing customer satisfaction levels are high, demonstrated by 70% of recurring revenue in the year ended 31 December 2019 alongside a low level of annual customer churn at 4.0% in the year ended 31 December 2019. New customer acquisition continues to be robust with 36 new customers in the year ended 31 December 2019. Revenue Growth in North America was 94% in the year ended 31 December 2019 compared to 2018.

In January 2020 Exasol has been named a customer experience and a vendor credibility leader in Dresner's 2020 Analytical Data Infrastructure (ADI) Market Study for the third consecutive year. Exasol also achieved a recommend score of 100%, which means that 100% of Exasol's customers who participated in the market study would recommend Exasol (*source: Dresner 2020 ADI*).

Exasol believes that the unique and leading nature of its analytical database solution combined with existing user and customer loyalty and satisfaction will continue to help expand its platform growth.

4.2.2.7 Exasol has achieved operational and execution excellence with its strong management team and diverse and highly skilled employees

Exasol has assembled a strong management team, with the CEO Aaron Auld, CFO Michael Konrad and CTO Mathias Golombek who can draw on significant professional experience managing and scaling technology and businesses. The core technology team has worked together for more than a decade and the broader team comprises the required experience and skill-sets with members located internationally (including United States), and all of whom have very strong technology backgrounds. Under the senior management's leadership Exasol has demonstrated its ability to transition from a pure R&D team to a successful commercial venture selling software licenses to, most recently, becoming a global subscription-based software business. The management has also initiated the process of geographic expansion by opening local offices in other geographies and has acquired a substantial number of new customers in each of these markets, all of which has driven revenue growth in the year ended 31 December 2019.

Exasol's success is supported by a team of diverse and highly-qualified employees. Exasol's employee base consists of over 30 different nationalities at a 25:75 female-to-male workforce ratio with a view to achieving greater gender parity. Today, Exasol employs 156 employees and, with its strong leadership team and highly skilled work force, believes it has established a culture of innovation and entrepreneurship that will support the execution of its growth strategy going forward.

4.2.3. Strategy and Objectives

Exasol plans to realise significant tangible growth in four core areas:

4.2.3.1 Expand international geographical footprint

Exasol currently operates from three main locations in Germany, the UK and the US and on a global basis with customers in approximately 30 countries. Exasol's sales team has historically focused on the DACH (Germany, Austria and Switzerland) region but intends to expand sales and marketing operations in strategic international growth markets across Europe, particularly the UK, and in the Americas, particularly the United States, where teams have already been established.

For the United States as of the date of the Prospectus Exasol has already a headcount of 6 employees which has yielded early results including a 93% increase in US revenue in the year ended 31 December 2019. Exasol intends to further accelerate this expansion by deploying part of the Offering proceeds to grow its local sales, marketing and technical support teams in order to enhance and localise its product and services offerings.

4.2.3.2 Expand Network of Partners

In the year ended 31 December 2019 Exasol generated approx. 19% of revenue through three main groups of partners, *i.e.*, large system integrators, business intelligence and analytics consultants and value-added resellers.

Exasol believes there is scope for revenue expansion through partnerships and alliances. In order to execute this strategy Exasol intends to lower the barriers to entry for co-selling and deploying Exasol's database with selected premium partners and intends to provide appropriate incentivization and qualification programs. By continuing to position Exasol as a thought leader to these partners and their customer base alongside demonstrating effective solution selling strategies with adjacent and supplementary technologies to win both “mindshare” and “walletshare”, Exasol expects to expand its partner ecosystem.

4.2.3.3 Continue to scale Exasol's existing customer base through ongoing product improvements and specific value propositions

Exasol’s monthly recurring revenue cohorts have been expanding consistently while annual customer churn has ranged between 4% and 5.5% since 2016, with recurring revenue making up 70% of total revenue for the year ended 31 December 2019, during which Exasol generated 21% of total revenue through 'upselling' products to existing customers. Exasol aims to grow its existing customer relationship headcount alongside a new strategy of providing further flexibility and choice to the existing customer cohorts based on a usage and consumption based license models

Exasol intends to continue to invest in its customer support and customer success management offering, having seen how important this is to customers worldwide to support their own data strategies.

4.2.3.4 Selectively pursue M&A opportunities to supplement organic growth

In addition to these organic growth initiatives, Exasol may opportunistically engage in M&A transactions. Exasol monitors M&A opportunities that would meet specific goals, including targeting specific industries and value-add technologies which would support Exasol's market positioning and broaden and accelerate adoption of Exasol within certain industry sectors (vertical) and/or relevant analytical use cases (horizontal). Exasol’s M&A strategy will be closely aligned with its overall focus on achieving profitable growth.

4.2.4. Products and Services

4.2.4.1 Products

Exasol's core product is its analytics database. The Exasol database is designed to play a critical role in data management eco systems. As shown in the graphic below, data is produced and stored within a large variety of operational systems, then typically processed, cleansed and finally ingested into a so-called data warehouse, for which a database solution, such as Exasol, is required. Customers can store up to hundreds of terabytes of data in the Exasol database and then provide data access and processing capabilities to multiple analytical applications across an enterprise.

Financial reporting and marketing dashboards in Business Intelligence (BI) tools are just one example of how you can employ data warehouses as an integral function of a business. With increasing pressure in the market to leverage data analytics into business processes and decision-making in order to become more data-driven as a business, an increasing number of users expect to be able to connect to the data warehouse and deploy multiple analytical tools and technologies to run analyses against the available data for creating insights - be it for human decisions based on the results of data analysis or for automated operational processes.

Exasol helps customers match the scale of its analytics database to their needs by offering three different editions:

- **Exasol Community Edition** - The free single node edition for commercial and private/academic use. It comes with all the features of the standard Exasol database solution and can be used for up to 200 GB of raw data. This edition is often the starting point for organisations who use Exasol to solve a more minor data analysis problem and then expand the usage to more critical use cases and ultimately the point when a paid license edition becomes necessary.

- **Exasol One** - The single-node solution caters to the reporting and performance challenges of SMBs (small and medium-sized businesses) or individual departments within enterprise organizations and enables customers to manage up to 1 TB of data on a single node and includes all features and standard support. This is also often the starting point for organisations, especially for departmental applications, to work and familiarize themselves with Exasol before expanding the solution to other enterprise applications ("land and expand" strategy).

- **Exasol Enterprise Cluster** - The full enterprise version provides customers with practically unlimited scalability and enterprise-level support. It includes Exasol's advanced data integration and data virtualization framework which allows customers to deploy Exasol within heterogeneous infrastructures, integrate data from a wide variety of sources and support practically unlimited programming languages.

The Exasol database can be deployed as a fully-managed system (Software as a Service - SaaS), as a subscription-based license model or in the form of perpetual licences. Recent history has seen a clear trend towards a subscription-based model in line with many public cloud "pay as you go" license models. Exasol intends to offer only a subscription model in the future, but currently sees an ongoing requirement by certain enterprises to be able to purchase perpetual licenses in line with their other larger infrastructure investments. Exasol sees a competitive advantage in being able to address both of these requirements for licensing the technology.

- **Fully managed system**

  Customers can select a SaaS offering, either in Exasol's own private cloud (EXACloud) or in multiple public clouds. The database(s) and complementary tasks are then completely hosted and operated by Exasol's operations team and these services are invoiced on a monthly or annual basis.

- **Subscription-based**
  Customers can deploy the software on their own infrastructure (on-premises or in the cloud) and typically pay on a monthly or annual basis.

- **Perpetual licence**

  Customers purchase a perpetual licence for a certain data volume and run the software on their own infrastructure (on-premises or in the cloud). The customers then typically acquire license upgrades for additional data usage (upsell) and pay an (increasing) annual fee for support and maintenance.

Exasol's primary software license model is based on the raw data which the customer stores in the database. This is expected to lead to revenue growth within the existing customer base, because data volumes generally increase over time due to new data, additional data sources and expanding data analytics and business applications.

4.2.4.2 Technology

Exasol is a database specifically designed for data analytics applications. The database enables users to analyze large volumes of data at high velocity and turn the information or insights contained in the data into business decisions. The key characteristics of Exasol’s database are based on the following architectural principles:

In-memory analytics - Exasol's in-memory algorithms enable large amounts of data to be pro-cessed in main memory (RAM) for, according to Exasol's assessment, significantly faster access and processing times. This is done by applying a hot/cold data concept that means that most customers only need about 5-10% of RAM compared to their total raw data volume, whereas other in-memory solutions, in Exasol's experience, often require up to or in excess of 100% of RAM in order to process the equivalent raw data volume.

Massively parallel processing (MPP) - Exasol has been designed and developed as a massively parallel, clustered system, *i.e.* connecting multiple servers, or nodes, to form a single unified system, based on a so called shared-nothing architecture, which means that there is no single point of failure within the server cluster, as has been the more traditional approach to distributed systems. This architectural approach enables high scalability by simply adding additional nodes to the cluster as and when the volume of stored data or the need for additional performance increases. Adding nodes is relatively easy due to the system’s ability to automatically integrate the additional node(s) and redistribute the data in the system.

Columnar storage and compression - These technological characteristics reduce the number of I/O (input/output) operations, which is traditionally the biggest single constraint for high-performance data processing, making data rapidly accessible for analytical processing, and reducing the required infrastructure and therefore total cost of ownership.

Advanced data science - The Exasol database provides support for the programming languages R, Python, Java and Lua, and enables customers to integrate their preferred data science programming language and deploy data science models for in-database analytics at scale.

Flexible deployment - The Exasol database can be deployed in the most widely used public cloud marketplaces Amazon Web Services© (AWS), Microsoft Azure© and Google Cloud Platform©, but is also available for on-premise and hybrid environments, *i.e.*, when an organisation’s data is distributed between its own data centres and public cloud platforms. Further, Exasol provides a fully-managed SaaS offering, either in the own data centers (EXACloud) or in the public clouds.

Easy data integration - This enables Exasol's customers to connect to their existing BI reporting and data integration tools via industry-standard connectors, such as ODBC, JDBC, .NET as well as a JSON-based web socket API (application programming interface). Exasol's data virtualization as well as its data integration framework enable customers to connect to and analyse data from multiple sources across their organisations.

Self-tuning database - Intelligent algorithms monitor usage and perform automated tasks, which optimize performance and minimise any data administration over-head.

4.2.4.3 Professional Services

In addition to the database solution itself Exasol provides a range of complementary services. While consulting work is mostly carried out by qualified partner organisations, Exasol concentrates on core services such as onboarding, training users and operating the systems, comprising *e.g.,* installation, administration, monitoring and incident management services, for the customer, alleviating the requirement for the customer to build up and maintain its own database management expertise. As the enterprise data warehouse has increasingly moved to the centre of a company's IT infrastructure and becomes increasingly "productive", it has also become necessary to provide customers with a 24x7 support and maintenance offering.

Exasol has built a qualified and trained professional services team which consists of the following three main functions:

Operations Support

- Installation, updates, upgrades
- Monitoring & Incident management
- Backup Management

Product Support & Consulting

- User help desk through tickets and hotline
- User & rights management
- Performance tuning
- Workshops & consulting

Education

- Training on-site and through online courses
- Technical documentation
- User groups

Exasol maintains an online training academy (EXAcademy) which has played an important role in empowering users to extract ever greater value out of the technology and currently offers five different online training courses. EXAcademy has already led to several thousand worldwide certifications by Exasol database users.

Exasol relaunched its User Portal (portal.exasol.com) in 2019 including a new online documentation. In 2020 the implementation of a completely new community tool is planned to further professionalize interactions with users.

For scalability into specific geographical regions Exasol has created a so-called TASC[2] (Technical Assistance and Support Center) program with allied partner organisations. If partner organisations fulfil certain requirements, including relevant qualifications, they will now be permitted to deliver local support for their end-customers, which will lead to a reduction in the number of support cases handled directly by the Exasol support team and to a more intensive relationship between the partner organisation and the end-customer, especially if the partner and customer are based in geographies where German or English are not the first languages and localized interactions are preferred.

4.2.5. Marketing

The core marketing objectives for Exasol are:

- Expanding brand awareness
- The ongoing promotion of clear value propositions to our target audiences
- Further building an engaged and global user community

Exasol's marketing approach is supported by what Exasol perceives to be a multi-faceted, efficient and data analytics-driven conversion approach, based on its experience and on physical data generated from customer interactions. Acquisition of customers and marketing programmes are specific and targeted, using digital marketing processes and employing cost-efficient methods.

This approach means that Exasol has a generally low acquisition cost relative to customer lifetime value, which is expected to enable it to increase its revenue without substantially increasing its cost base as a proportion of revenue. In the year ended 31 December 2019, Exasol’s average customer lifetime value for recurring business, at approximately EUR 3.7 million was 21 times its average customer acquisition costs of approximately kEUR 173.

Exasol’s sales and marketing expenses totalled EUR 9.9 million for the year ended 31 December 2019 (2018: EUR 6.1 million, 2017: EUR 5.1 million).

Exasol has historically focused on the DACH (Germany, Austria and Switzerland) region but has initiated the process of expanding out to Europe, in particular the UK, and the United States. To fulfil these objectives Exasol has a global marketing and communications team working closely alongside an extended network of contractors and marketing agencies. Whilst the primary focus is on new business acquisition, Exasol's existing installed base is engaged through the global user community programme, consisting of both online and physical activities, such as user groups in multiple cities and geographies. Direct relationships with Exasol's account and technical teams build on this to contribute to a comparably high customer retention and renewal rate.

Exasol’s marketing approach can be characterised by three core themes:

- Customer and buyer-centric approach
- Consolidated end-to-end sales and marketing process
- Strategic approach to brand identity development

These approaches are outlined in more detail below:

4.2.5.1 Customer and buyer-centric approach

Acquiring an analytics database is one of the most important decisions in implementing and operating a modern data-driven business strategy in an increasingly digital world. The decision-making process typically involves multiple stakeholders in different roles and functions within the overall procurement process which necessitates a comprehensive and customer-centric approach.

The starting point of this approach is an assessment of Exasol's own insights into its buyer characteristics or “personas”, marketing intelligence and competitors. Exasol has members of its team who develop the ‘marketing intelligence’, consisting of information gathered through customer interviews, analyst insights and digital engagements from Exasol's website, search engines and competitor websites.

Through extensive and ongoing interviews with its customer instalment base, Exasol is gaining an increasingly detailed understanding of its buyers' characteristics. These characteristics or personas are the foundation of Exasol's buyer-centric approach. Through this process Exasol can continue to deepen its understanding of the use cases for Exasol's analytics database and the challenges, benefits and rationales involved in any decision-making process on acquiring database technology. In the market space Exasol is focusing on three main use cases: business intelligence acceleration, data warehouse modernisation and data science in combination with data analytics - and each is followed by a number of complementary use cases.

This focus allows Exasol to match its acquisition targeting criteria to different interests at different levels of granularity, reflecting buyer journey stages and persona buyer roles. They are the focal point of Exasol's marketing and keep every aspect of it profiled and targeted, from content planning to the website/UX (user experience) development and events strategy.

4.2.5.2 Consolidated end-to-end sales and marketing approach

Exasol's marketing team consists of global roles and field/regional roles. These regional roles are part of the field team, led by sales and working in tandem with the inside sales team. Exasol has sales and marketing teams physically located in its three primary locations in Germany, UK and the USA, and aims to expand these teams as part of its growth strategy.

Although lead management is considered a collective responsibility, Exasol strives to maintain a clear process for lead ownership throughout the lead generation funnel. This whole process is tracked and measured in order to learn and identify actual and potential improvement measures at any point in the process.

4.2.5.3 Strategic approach to brand identity development

In Exasol’s target markets brand awareness is important for gaining market share. Exasol has specialised local marketing and sales teams that play a key part in this growing market in order to integrate into the local ecosystems. To support its global growth, Exasol has taken a strategic approach to brand identity development. This is closely aligned to Exasol's buyer personas and use cases and tied in with its recently updated messaging. As a result, Exasol is working to ensure that its brand identity accurately reflects the expansion of the Company while remaining adaptable to fast moving trends and buyer demands.

4.2.6. Sales and Customers

Exasol's sales team is split among DACH, UK and the United States. The sales teams employ a focused methodology along two distinct approaches, namely:

- Existing customer retention and upselling opportunities, focusing on understanding specific industries where Exasol already has a strong position, *i.e.* financial services, retail, healthcare and ecommerce.

- Responding to new incoming opportunities in diverse sectors, e.g. automotive, telecommunications.

Exasol’s customer base consisted of more than 175 customers as of 31 December 2019. At the date of this Prospectus customers are mainly based in the DACH region, accounting for 66% of sales in the year ended 31 December 2019 (2018: 71%).

4.2.7. Research & Development

R&D Team and Process

Exasol has a research & development (R&D) team consisting of qualified and experienced employees based in Nuremberg. Currently five teams are working on the core database engine. Each has a broad specialization in several of the modules comprising the database. The teams are built in a way that features can be developed autonomously by just one group. All teams have end-to-end responsibility, working both on ongoing roadmap functionality and as part of the support team in bug-fixing and creating fast-track new features as desired by customers, which leads to a high degree of individual ownership and a high level of quality awareness.

Besides the five teams working on the core database, Exasol has established an integration development team which is tasked with integrating BI tools and big data systems and enabling advanced analytics and data science in the database. Nearly all of these projects are being developed as open-source code in order to benefit from the contributions of the growing Exasol user community. Additionally, Exasol increasingly employs software engineers with dedicated DevOps and QA (quality assurance) roles, who are embedded in the individual R&D teams. Exasol's DevOps culture emphasizes the collaboration between R&D, IT and the Operations Team throughout all stages of the development lifecycle, underlining the importance of operations in an increasingly service-oriented marketplace.

The process, structure and activities in R&D are designed to achieve five central goals.

- Transparency and trust: Exasol believes that for sustainable success, R&D activities have to be as transparent and forward-looking as possible in order to build confidence and trust on the part of customers, who rely on Exasol's technology as part of their strategic data strategies. This is increasingly important as technology and trends are changing at an ever faster pace, and customers need to know that Exasol can evolve with them as they themselves change and increasingly build their business models based on underlying technologies.

- Customer centric development: Exasol's customer-centric approach to every feature developed by R&D allows Exasol to provide relevant software solutions. For this it is crucial for everyone involved in the development process to fully understand the user, and this is reflected in the internal design process in which the problem to be solved and user requirements have to be clearly defined before execution.

- Value-based prioritization: Exasol R&D has a long backlog of potential improvements and Exasol carefully assesses a variety of factors to make sound decisions about what to prioritize. The value for the user and the number of affected users has the greatest influence, but so also do factors such as the amount of effort involved and the risk of negative impact on quality or simplicity. Exasol follows a continuous backlog prioritization approach, whereby the top of the backlog is prioritized at a high cadence. Software bugs are scheduled with extremely high priority in order to avoid disruption of customer-critical processes and to ensure and maintain high levels of customer satisfaction.

- Quality, Performance & Security: There is a high level of awareness within the development teams for their end-to-end responsibility. This is also reflected in the self-designed large and fully automated regression test suite that is executed on a large on-premises test cluster and partially in the cloud. Test cases range from specialized workloads to automated system acceptance tests based on data and workloads provided by customers. Exasol also applies static code analysis, memory profilers and CIS benchmark tests as part of the automated regression tests.

- Room for Innovation: In R&D, Exasol always aims to strike the best possible balance between exploitation and exploration in order to maintain and further develop its established product as well as to identify new use cases, diversified products and services and innovative solutions. This is supported by consciously leaving sufficient amounts of unstructured time for development teams to brainstorm and by establishing connections to users and partners in order to understand needs and trends. Exasol R&D also embraces a positive culture of experimentation, openness and space for individual failure in order to encourage and inspire innovation.

R&D Partnerships

Exasol has a network of technical partnerships ranging from hardware providers to software tools and other technologies in the data analytics ecosystem. The long-established collaboration with hardware vendors such as Intel and Dell permits Exasol to maintain a direct exchange between engineers about future developments as well as early access to hardware prototypes. Further, collaborations with BI and data visualization vendors enable Exasol to continuously improve the user experience.

4.2.8. IT infrastructure

IT infrastructure

Exasol manages its core infrastructure and uses third-party data centres, located in Nuremberg, which are certified in accordance with ISO/IEC 27001. Global SaaS solutions and resources in AWS, Microsoft Azure© or Google Cloud Platform© are also used to provide services for customers and internal users.

The existing infrastructure consists of around 350 hardware servers and a similar number of virtualized machines. Deployment is automated and cloud accounts are set up for each department to support a typical production, test and development environment. Cloud infrastructure cost is monitored at near real-time at account level. Most cloud resources are used for Continuous Integration in the R&D department.

Exasol's disaster recovery plan for customers comprises backups of internal infrastructure using one centralized solution for daily incremental backup cycles and full backups during the weekends.

EXACloud infrastructure

Exasol manages its own so-called EXACloud hosting service. It is used to operate customers' Exasol database systems starting with single node systems up to large multi-node clusters in an available and high-performance environment.

This infrastructure is continuously monitored and the system configuration and disaster recovery strategy can be customized to meet customers' individual requirements. This infrastructure currently consists of approximately 150 servers supporting in excess of 50 customer clusters distributed over two data centres and located in Nuremberg.

IT Demand and application management

In 2018 Exasol deployed a global map of core business processes and developed an Enterprise Architecture to ensure consistent change management for business processes and related IT services. This allows the team to focus on the most critical and highly integrated business systems.

Existing business processes are analysed and improved, requirements are identified and then translated into changes for business applications or business intelligence team backlogs. The transparent backlogs allow for alignment and prioritization across the Group.

In 2019 Exasol deployed a centralized service desk function as a single point of contact for all IT-related incidents and service requests.

Exasol also deploys single global systems for the following:

- Web Presence

- Marketing Automation
- Customer Relationship Management
- Customer Support
- Project Management
- Contract Management
- Invoicing Systems

This ensures consistent, efficient and compliant execution and measurement of continuously improved core processes in compliance with GDPR (General Data Protection Regulation) on a global level. An Exasol-based internal data warehouse is also deployed to enable complex cross-system and cross-departmental reporting.

Exasol has recently initiated the implementation of an ISO/ICE 27001 based information security management system to further formalize and standardize its existing IT security organization, controls and processes.

All information management teams are located in Nuremberg. The service desk function will be geographically distributed in order to cater to existing business teams in the UK and in the United States.

4.2.9. Security and Privacy

For Exasol as an analytic database provider embedded in the data space, issues such as security (especially IT security) and privacy are naturally of great importance. Exasol's main product is designed to meet the requirements of Art. 25 GDPR (privacy by design and default). The protection of data, whether Exasol's internal data or that of Exasol's customers and stakeholders, is a top priority. Exasol employs internal staff (data protection coordinators) who deal with data protection issues across different departments, and a professional external data protection officer in compliance with German and EU data protection regulations.

With regard to information security, Exasol monitors the confidentiality, integrity and availability requirements of its information assets to ensure that they are adequately and continuously protected against threats of all kinds. As Exasol's core competence lies in the development and support of software for data processing, the protection of this information against unauthorized access/change is of great importance.

Exasol has begun to implement an information security management system in order to effectively assess information security risks, analyze requirements and apply appropriate security measures within risk remediation plans. With the holistic view of information security and prioritized ISO/ICE 27001 certification plan, Exasol aims to provide continuous improvement of security architecture and internal processes.

Due to an evolving threat environment, to which every organization is exposed, vulnerability assessments are performed frequently and required measures are implemented within defined time frames according to their risk levels in order to ensure that potential deficiencies of network and IT systems can be addressed on time.

Exasol's security incident response team handles incidents as a top priority and incident containment/recovery phases are performed according to defined incident management playbooks. Communication and escalation processes within incident management are designed and maintained by taking stakeholders' and regulatory authorities' requirements into consideration on an ongoing basis.

4.2.10. Regulatory Environment

Exasol's business activities are subject to various regulatory requirements under European law and applicable national laws of the countries in which Exasol operates. With regard to the United States federal state laws have to be taken into account. As Exasol is active in the field of software, the laws and regulations governing cybersecurity and data protection define the core regulatory environment.

During the previous years, Exasol has put a focus on being compliant with GDPR, on the one hand with regard to internal processes and on the other hand with regard to its customer-facing products and services.

Regulations concerning cybersecurity exist in diverse legal spheres. Exasol addresses the relevant legal topics with a comprehensive approach and with the support of a technically specialized department (Information Management department, including an Information Security Officer).

4.2.11. Intellectual Property

Since 2000 the Company has developed and marketed its database solution as well as several related services. Since 2015, the further development of the software and related products and services has been carried out in cooperation with its fully-owned subsidiary Exasol Big Data Technologies GmbH. The purpose of Exasol Big Data Technologies GmbH is to further develop and exploit the existing software for potential new product ideas and innovation projects. As part of the internal cooperation agreement, the Company has provided Exasol Big Data Technologies GmbH with a copy of the source code of the software for use and further development.

Since 2018, further developments of the software and related offerings have been made exclusively by Exasol Big Data Technologies GmbH and its employees. Exasol and Exasol Big Data Technologies GmbH also use open source components next to the proprietary core database engine.

The Company is the owner of several trademarks and trademark applications which cover the goods and services which are relevant to the Company's marketed products and services. The trademarks owned by the Company are in particular:

- trademark "Exasol"/"exasol"/"EXASOL" (word),
- trademark "Exacloud" (word).

The territories covered are Germany, the European Union and specific countries globally. In some countries trademark applications are still pending. In Japan the registration application for the trademark "Exacloud" was provisionally refused. In the US the trademarks "Exasol" and "Exacloud" have been published in the local trademark register on 3 March 2020. However, the period for objection in the US is still running and the trademarks have not yet been registered for Exasol (see *"6.4.4 The registration of the trademarks "Exasol" and/or "Exacloud" could be refused in some countries, in particular the United States)*.

The trademarks are in general registered for goods and services in classes 9, 35, 38, 41, 42 and 45.

4.2.12. Real Estate

Exasol does not own real estate. The Exasol Group rents business premises at its headquarters in Nuremberg and co-working spaces for its other German offices in Berlin and Hannover. Outside Germany, the Exasol Group has rented co-working space and desks in London (UK) and Atlanta/Georgia (USA). All rental agreements run until at least 2020 or beyond.

4.2.13. Employees

Exasol Group employed a total of 156 full and part-time employees (corresponding to 150.75 full time equivalent employees across its three locations in Germany, its location in UK and its location in the US as of 30 April 2020, of which 133 employees worked in Germany.

In March 2020, the Company conducted a global restructuring exercise that allows it to better meet the challenges faced by the economic impact of the corona virus pandemic. This restructuring exercise resulted in a 15% reduction in Exasol Group's total workforce. Exasol has also introduced short time work (*Kurzarbeit*) in its German subsidiaries as of 8 April 2020 due to the corona virus pandemic, reducing the working hours of the majority of the German work force by 20%. It is planned to keep this new working time for a duration of three months, at which time Exasol will review the financial situation in the market and act accordingly. Exasol plans to partially compensate for the loss of remuneration due to short time work by granting SARs.

Since 30 April 2020 and until the date of this Prospectus, there has been no material change in the number of employees.

The following table shows the unaudited period end figures of staff as of 30 April 2020 each divided by function and geographic location:

	Total	**Germany**	**UK**	**US**
Sales & Marketing	52	33	14	5
Support	44	42	1	1
Research & Development	38	38	0	0
Administration	22	20	2	0
Total	**156**	**133**	**17**	**6**

Employee Stock Appreciation Rights

The Company grants Exasol's employees so-called stock appreciation rights (the ***SAR***). SARs grant contractual options for a special remuneration depending on the fulfilment of a success target. SARs do not grant any rights to shares in the Company. The success target is fulfilled if before 31 December 2020 (i) at least 50% of the Company's shares are directly or indirectly sold to one or more buyers in a single transaction, (ii) at least 50 % of the Company's material assets are sold to one or more buyers in a single transaction, or (iii) in case of an initial public offering of the shares of the Company or one of its subsidiaries. The SARs are not transferable to a third party.

If the success target is fulfilled the employee is entitled to receive a gross amount per SAR equal to the difference between the value of one share in the Company and EUR 1.00. The remuneration resulting from the SARs is due: 30 % after 12 months after the fulfilment of the success target, 40 % after 24 months, and 30 % after 36 months, provided, in each case, that the employment agreement has not ended at the due date.

As of the date of the Prospectus the Company has granted in total 569,000 SARs.

Employee Incentive Program / Stock Option Program

Exasol plans to implement a further incentive program for its employees either in the form of a stock option plan or in the form of a phantom stock program. In case of a stock option plan the stock options may grant subscription rights for in total up to 6 % of the current share capital of the Company; the shares to fulfil these stock options would be created by using the Authorized Capital 2019/I. In case of a phantom stock program potential claims of the employees would be fulfilled in cash (instead of shares).

4.3. Market and Competitive Landscape

Exasol operates in growth markets: the growth is fuelled by:

- the fundamental underlying digital transformation trend and consequent growth of the data sphere;
- the parallel evolution and growth of data analytics and database management system market fuelled by the increasingly important role of data in all organisations; and
- what Exasol perceives as its disruptive position within the database management systems market.

4.3.1. The Process of Digital Transformation and Growth of the Datasphere

Data is at the heart of the ongoing global digital transformation, the use of new, fast and frequently changing digital technology to solve problems. Studies show that much of today's economy relies on data, and this reliance will only increase in future as companies capture, catalogue and cash in on data in every step of their supply chain as well as collecting ever greater amounts of customer data to provide higher levels of personalisation. The consequence of this increasing reliance on data is expected to be a never-ending expansion of the global datasphere. Studies from IDC show that the global datasphere is experiencing high growth, and is predicted to grow from 33 Zettabytes (ZB) in 2018 to 175 ZB by 2025, which represents a CAGR of 27% (*source: IDC White Paper*).

The expected CAGR for data from 2018 to 2025 varies between the industries and ranges from 25% in the media and entertainment industry over 26% in the financial services sector and 30% in manufacturing to 36% in the healthcare industry *(source: IDC White paper)*.

In addition Forrester forecasts that insight-driven businesses will grow at least seven times faster than global GDP (gross domestic product) (*source: Forrester Research, page 3*).

4.3.2. The growth of the Global Analytics and Database Management System (DBMS) market and Exasol's position within it

Over the last decade, the database market has undergone significant changes, thanks to the nature of data being generated, the volume of such data, and the raw processing capability needed to make sense of it.

Today data is often perceived as the most important asset within companies and organisations, creating the need for data analytics at all levels of an organisation. The rising adoption of cloud technologies and growing dependency on data in decision making are the factors fuelling market growth along with the increasing adoption of business intelligence for small and medium enterprises. Monitoring and optimising this data to create a competitive advantage has become a strategic imperative for surviving in a rapidly changing world.

The global analytics market was worth USD 169bn in 2018 (*source: Statista*); the Company estimates that the traditional database management system (***DBMS***) market accounted for approx. 25% to 30% of this.

Exasol operates in the DBMS market and believes the total addressable market for the next generation of database analytics is currently underpenetrated, with new incumbents gaining market share from oligopolistic incumbents who are not able to offer the same quality of database solutions as Exasol.

As a result, Exasol believes it occupies a disruptive position within the DBMS market and that the total addressable market comprises a significant and growing portion of that market.

4.3.3. Competition and Competitive position of Exasol

Exasol believes it has positioned itself as a disrupter to the multi-billion dollar DBMS market by consistently focusing on product reliability of technology, value for price paid, integrity, and product robustness.

Exasol positions its products not only as a stand-alone technology, but also as a complimentary solution which accelerates along with legacy database systems with the potential to replace them completely over time. In recent years Exasol has consistently demonstrated that it is well positioned to challenge and win customers from the likes of Oracle, IBM, Microsoft and SAP.

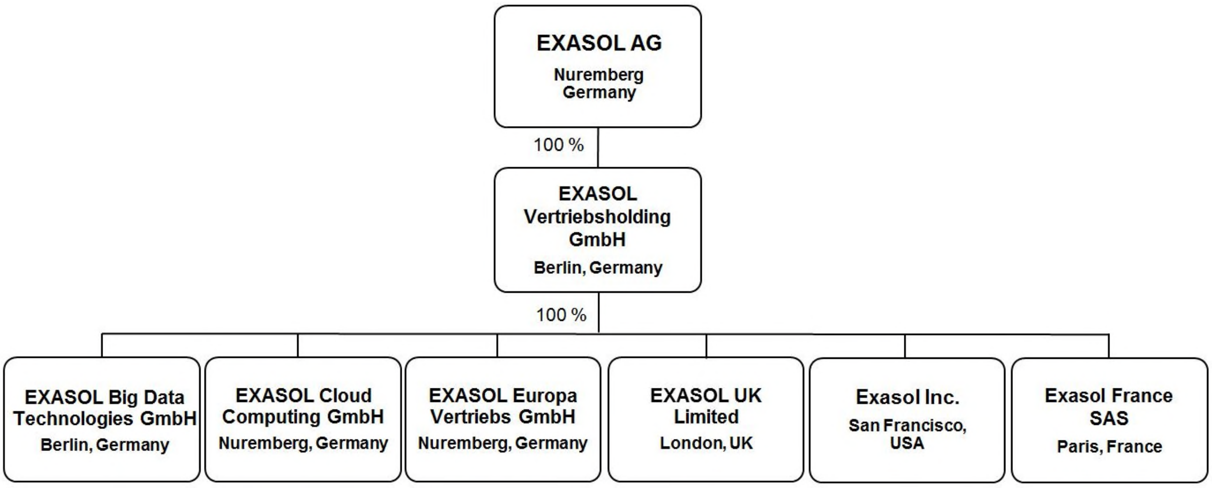
Exasol believes that its key technological features such as its proprietary in-memory architecture and massive parallel processing combined with its ease of use and flexibility provide it with advantages against its competitors.

4.4. Organisational Structure

4.4.1. Group Structure

The Company is the parent company of the Exasol Group. It mainly has the function of a holding company and is primarily responsible for the financing and the administrative tasks for the entire Group. Further, Exasol AG owns the rights in the software on which Exasol's products are based and which is licensed to the subsidiaries. The operating business activities of the Exasol Group are mainly conducted by Exasol AG's subsidiaries.

The following diagram provides an overwiew of Exasol Group as of the date of this Prospectus:



4.4.2. Subsidiaries

The following table presents an overview of the Company's subsidiaries as of the date of this Prospectus. The shareholdings are held directly or indirectly by the Company.

Legal name, statutory seat	Business Area	Registered Capital	Direct or indirect interest of Exasol AG	Director
Exasol Vertriebsholding GmbH Berlin, Germany (Local court of Berlin (Charlottenburg), HRB 163203)	Administration (and Global Marketing)	EUR 25,075	100%	Aaron Auld Mathias Golombek Michael Konrad
Exasol Big Data Technologies GmbH Berlin, Germany (Local court of Berlin (Charlottenburg), HRB 170441)	Research and development	EUR 25,000	100%	Mathias Golombek Michael Konrad
Exasol Cloud Computing GmbH Nuremberg, Germany (Local court of Nuremberg, HRB 26859)	Internal and external IT support service	EUR 30,000	100%	Aaron Auld Mathias Golombek Michael Konrad
Exasol Europa Vertriebs GmbH Nuremberg, Germany (Local court of Nuremberg, HRB 27508)	Sales	EUR 30,000	100%	Aaron Auld Mathias Golombek Michael Konrad
Exasol UK LIMITED London, UK (Companies House of England and Wales, no. 09337408)	Sales	GBP 1.00	100%	Aaron Auld Michael Konrad
Exasol France SAS, Paris, France (Commercial register of Paris, no. 832 332 761)	Sales	EUR 50,000	100%	Exasol Vertriebsholding GmbH
Exasol, INC., San Francisco, USA (Delaware Department of State, Division of Corporations, file no. 5531322)	Sales	USD 10,000.00	100%	Aaron Auld

4.5. Investments

4.5.1. Past material Investments

Material investments since 1 January 2020 until the date of the Prospectus

Exasol AG made no material investments since 1 January 2020 until the date of the Prospectus.

4.5.2. Current and future material Investments

There are no material investments of Exasol AG or the Exasol Group in progress and Exasol has not already made any firm commitment for any material investments.

Further, Exasol Group plans to invest in the enhancement of its sales force, distribution and marketing power to further Exasol's international expansion including in the United States and to raise brand awareness in the future. This includes investments in personnel and material and, for instance, marketing events. Furthermore, research and development investments are planned to achieve shorter development cycles in the future and to implement new functions to Exasol's products. It is planned to finance these investments in 2020 by the proceeds from the Offering (see *"7.1.3 Use of the Issue Proceeds").*

4.6. Management's Discussion and Analysis of Financial Condition and Results of Operations

4.6.1. Overview

Basis for presentation

The tables contained in this section regarding Exasol Group include selected financial information from the Audited Consolidated Financial Statements of Exasol AG for the financial years ended 31 December 2018 and 31 December 2019. The consolidated financial information as of and for the financial year ended 31 December 2017 has been derived from the comparative financial information included in the Audited Consolidated Financial Statements 2018.

The tables contained in this section regarding Exasol AG include selected financial information from the Audited Financial Statements of Exasol AG for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017.

Numerical figures contained in the Prospectus in units of thousands, millions or billions as well as percentages relating to numerical figures have been rounded in accordance with standard commercial practice. Due to rounding differences, individual numbers and percentages may not add up exactly to the totals or sub-totals contained in the tables or mentioned elsewhere in the Prospectus. In respect of financial data set out in the Prospectus, a dash ("**–**") signifies that the relevant figure is not available, while a zero ("**0**") signifies that the relevant figure is available but is, or has been rounded to, zero.

4.6.2. Exasol's Financing structure

4.6.2.1 Significant Changes in the Financing structure

Until the date of the Prospectus, the Exasol Group financed its capital expenditures and working capital requirements through a combination of cash generated from operating activities, loans from its shareholders, third-party financing and leasing arrangements.

Since 31 December 2019 the following material changes have occurred in Exasol's borrowing and funding structure:

- By agreement dated 14 January 2020 certain shareholders of the Company transferred in total 881,794 Shares of the Company to the Company by way of a contribution without consideration (see "*12.2.1 Relationships between the Company and its shareholders*"). The Company intends to sell 285,000 of these Shares as part of the Offering. The proceeds from the sale of these Shares will be used to pay the first instalment of the SAR Compensation claims of the members of the Management Board (see *"7.1.3 Use of the Issue Proceeds"* and *"10.1.4 Remuneration of the Management Board members"*).

- On 18 February 2020 the Company and Raiffeisen Landesbank Oberösterreich agreed to terminate the credit line of up to kEUR 350 granted by Raiffeisen Landesbank Oberösterreich with immediate effect. (see "*12.7.1 Financing Agreements*"). Any outstanding balance was repaid by the Company.

- In a loan agreement dated 20 April 2020, SYNTOS Beteiligungs GmbH and Hesz'sche Privatstiftung granted a shareholder loan to the Company in an aggregate nominal amount of EUR 1.2 million. The loan has a term until 27 April 2021 with early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company and (ii) an initial public offering of the shares in the Company. The loan is subject to an interest rate of 8 % p.a.; interest is due for payment on 31 December 2020. In case of an exit an additional exit premium in the amount of 5% initially, and 10% after three months, of the loan amount has to be paid by the Company.

- With the initial public offering of the Company's shares an exit event under the remaining shareholder loans including Technologie-Beteiligungs-Gesellschaft mbH (***tbg***) will occur leading to an early repayment of such loan amounts including accrued interest (approximately EUR 4.4 million in total as of 30 April 2020). Therefore, no shareholder loans will be outstanding after the initial public offering (see *"12.2.1 Relationships between the Company and its shareholders")*.

4.6.2.2 Expected financing of Exasol's activities

Exasol expects its business activities to be financed by its operational income, bank loans and the proceeds from the Offering. It is expected that Exasol's objective to expand its business operations, particularly in the United States, will be primarily financed by the Net Proceeds from the Offering, while M&A opportunities are likely to be financed by a mix of the Net Proceeds from the Offering and bank loans (see *"4.2.3 Strategy and Objectives"* and *"7.1.3 Use of the Issue Proceeds"*).

4.6.3. Analysis of the income statements

4.6.3.1 Exasol Group

The following table presents financial information from the consolidated income statements for the periods indicated.

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited, except where otherwise indicated)**		
Revenue …...…………………….………..	21,612	17,715	16,972
Other own work capitalised ………………..	1,826	1,395	1,328
Other operating income ..……..……………..	336	263	341
Costs of materials ..…………………………..	-2,415	-1,633	-2,289
Personnel expenses ..………………..……..…	-24,323	-10,653	-8,329

Amortisation of intangible assets and depreciation of property, plant and equipment……………..………………………	-2,198	-1,868	-1,672
Other operating expenses …………………....	-7,989	-5,316	-4,491
Other interest and similar income ..………...	1	-	0
Interest and similar expenses ..……………..	-700	-527	-527
Income taxes ..………………………………..	-125	-3	-10
Earnings after taxes ..…………………….…	**-13,974**	-628	**1,322**
Other taxes ..………………………………….	-5	-4	-5
Consolidated profit/loss for the year ..….	**-13,979**	**-632**	**1,318**

Comparison of the year ended 31 December 2019 with the year ended 31 December 2018

In the year ended 31 December 2019 revenues amounted to kEUR 21,612 compared to kEUR 17,715 in the year ended 31 December 2018. The increase in revenues was mainly driven by an increase of the number of customers as well as a one-time effect in revenue resulting from a large order of appliance and license products in the amount of approx. EUR 1.5 million in the first calendar quarter 2019. Own work capitalised (*aktivierte Eigenleistungen*) represents the capitalised development costs of the Exasol database and increased in the year ended 31 December 2019 to kEUR 1,826 compared to kEUR 1,395 in 2018. Other operating income in the year ended 31 December 2019 includes income from the reversal of provisions in the amount of kEUR 81 (previous period 2018: kEUR 2).

Cost of materials includes hardware and housing costs for the operation of the cloud infrastructure as well as hardware purchases and purchased third-party services. This position increased from kEUR 1,633 in the year ended 31 December 2018 to kEUR 2,415 in the year ended 31 December 2019 mainly driven by increased hardware purchases which in turn lead to higher revenue.

Personnel expenses amounted to kEUR 24,323 in the year ended 31 December 2019, which was an increase of kEUR 13,669 compared to 2018 (kEUR 10,653), mainly due to a provision for stock appreciation rights (kEUR 7,883) and the increase of the number of employees.

Other operating expenses increased from kEUR 5,316 in the year ended 31 December 2018 to kEUR 7,989 in 2019. The main drivers of this increase were costs in connection with the preparation of the Offering, as well as marketing and travel costs.

Interest and similar expenses amounted to kEUR 700 in the year ended 31 December 2019 compared to kEUR 527 in 2018. The main reason for the increase was a provision for exit premiums for shareholder loans granted by Mountain Technology AG and tbg in the amount of in total kEUR 190.

As a result the earnings after taxes for the year ended 31 December 2019 decreased by kEUR 13,346 to a loss of kEUR -13,974 compared to 2018 (kEUR -628) and the consolidated loss for the year ended 31 December 2019 increased to kEUR -13,979 compared to kEUR -632 in 2018.

Comparison of the financial year ended 31 December 2018 with the financial year ended 31 December 2017

In 2018 revenues amounted to kEUR 17,715 compared to kEUR 16,972 in 2017. Revenues in 2017 include extraordinary revenues in the amount of EUR 2.57 million in total with a large customer who switched from subscription to a license model leading to cumulative sales from subscriptions in the amount of kEUR 670 and a one-off license fee in the amount of EUR 1.9 million. Other own work capitalised (*aktivierte Eigenleistungen*) represents the capitalised development costs of the Exasol database and slighty increased in 2018 to kEUR 1,395 compared to kEUR 1,328 in 2017. Other operating income in 2017 includes income from the reversal of provisions in the amount of kEUR 158 (2018: kEUR 2).

Cost of materials includes hardware and housing costs for the operation of the cloud infrastructure as well as hardware purchases and purchased third-party services. This position decreased from kEUR 2,289 in 2017 to kEUR 1,633 in 2018 mainly driven by decreased hardware purchases which in turn were caused by decreased appliance revenue in this period.

Personnel expenses amounted to kEUR 10,653 in 2018, which was an increase of kEUR 2,324 compared to 2017 (kEUR 8,329), mainly due to the increase of the number of employees, in particular in the UK.

Other operating expenses increased from kEUR 4,491 in 2017 to kEUR 5,316 in 2018. The main drivers of this increase were marketing and travel costs.

As a result the earnings after taxes for the year 2018 were negative and decreased to kEUR -628 compared to kEUR 1,322 for the year 2017; the consolidated loss for the year 2018 amounted to kEUR -632 compared to a consolidated profit of kEUR 1,318 in 2017.

4.6.3.2 Exasol AG

The following table presents financial information from the income statements for the periods indicated.

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)	**(audited, except where otherwise indicated)**		
Revenues (*unaudited*)………………………………………………..	8,702	10,506	8,309
Own work capitalised (*unaudited*) ………………….……………..	-	373	1,023
Other operating income (*unaudited*)…………………….….……	8,947	5,417	205
Cost of materials (*unaudited*) ……………………………………	-2,814	-5,665	-2,160
Gross profit ……………………………..…………………..…	**14,835**	**10,630**	**7,376**
Personnel expenses ………………………………….……..….	-7,911	-1,458	-2,625
Amortisation of intangible assets and depreciation of property, plant and equipment …………..…………………………..…..	-2,168	-1,785	-1,540
Other operating expenses ………………………………………...	-10,813	-6,976	-2,701
Other interest and similar income ………………………………...	332	332	363
Interest and similar expenses ……………………………………..	-669	-512	-522
Income taxes ………………………………………………………..	-40	-	-9
Earnings after taxes ………………………………………….…	**-6,434**	**231**	**343**
Other taxes …………………………………………………………	-2	-2	-1
Net income for the year …………………………………………	**-6,436**	**230**	**342**

Accumulated deficit brought forward from prior year …………….	-21,547	-21,777	-22,119
Accumulated deficit ……………………………………………	**-27,983**	**-21,547**	**-21,777**

Comparison of the financial year ended 31 December 2019 with the financial year ended 31 December 2018

Gross profit consists of revenues plus own work capitalised (*aktivierte Eigenleistungen*) plus other operating income less cost of materials. In 2018 revenues amounted to kEUR 10,506 compared to kEUR 8,702 in 2019. The decrease was due to an adjustment and reallocation of the intra-group revenues. Own work capitalised (*aktivierte Eigenleistungen*) represents the capitalised development costs of the Exasol database and amounted to kEUR 373 in 2018 compared to kEUR 0 in 2019. Other operating income in 2019 includes mainly intra-group income and amounted to kEUR 8,947 (2018: kEUR 5,417).

Personnel expenses amounted to kEUR 1,458 in 2018, compared to kEUR 7,911 in 2019, mainly due to a provision for stock appreciation rights.

Other operating expenses increased to kEUR 10,813 in 2019 from kEUR 6,976 in 2018. The main drivers of this increase were intra-group expenses for services of its Exasol AG's subsidiaries.

As a result the net income for the year 2019 decreased to kEUR -6,436 compared to kEUR 230 in 2018.

Comparison of the financial year ended 31 December 2018 with the financial year ended 31 December 2017

In 2018 revenues amounted to kEUR 10,506 compared to kEUR 8,309 in 2017. The major increase was due to a change of the invoicing process. Beginning in 2018, all intercompany transactions are settled via Exasol AG as clearing company. As a result, each intercompany transaction (revenues and costs) is processed via Exasol AG, which leads to an increase in revenues and a corresponding increase in intra-group expenses invoiced to Exasol AG by its subsidiaries for the corresponding services. Own work capitalised amounted to kEUR 373 in 2018 compared to kEUR 1,023 in 2017. Other operating income in 2017 includes income from the reversal of provisions in the amount of kEUR 157 (2018: kEUR 0).

Personnel expenses amounted to kEUR 1,458 in 2018, which was a decrease of kEUR 1,167 compared to 2017 (kEUR 2,625), mainly due to the transfer of the remaining R&D department from Exasol AG to the Subsidiary Exasol Big Data Technologies GmbH that lead to a reduction of the number of employees at Exasol AG.

Other operating expenses increased from kEUR 2,701 in 2017 to kEUR 6,976 in 2018. The main drivers of this increase were intra-group expenses for services of its Exasol AG's subsidiaries.

As a result the net income for the year 2018 slightly decreased to kEUR 230 compared to kEUR 342 in 2017.

4.6.4. Analysis of balance sheets

4.6.4.1 Exasol Group

The following table presents financial information from the consolidated balance sheets as at the dates indicated.

	As of 31 December		
	2019	**2018**	**2017**
(EUR in thousands)		**(audited)**	
Fixed assets	**7,870**	**7,389**	**7,188**
Intangible assets	7,221	6,740	6,895
Property, plant and equipment	649	649	294
Current assets	**2,711**	**6,161**	**5,170**
Receivables and other assets	2,095	5,049	4,620
Cash and cash equivalents	617	1,112	550
Prepaid expenses	**481**	**611**	**240**
Deficit not covered by equity capital	**20,502**	**6,494**	**5,801**
Total Assets	**31,563**	**20,655**	**18,400**
Equity	**-**	**-**	**-**
Issued capital	15,152	15,654	15,654
Capital reserve	13,458	12,956	12,956
Difference in equity due to currency translation	182	210	271
Accumulated deficit brought forward	-35,314	-34,682	-36,000
Consolidated profit/loss for the year	-13,979	-632	1,318
Deficit not covered by equity	20,502	6,494	5,801
Contributions made to implement the resolved capital increase	**8,490**	**-**	**-**
Provisions	**11,484**	**1,443**	**1,653**
Liabilities	**7,437**	**15,159**	**13,309**
Deferred Income	**4,152**	**4,053**	**3,437**
Total Equity and Liabilities	**31,563**	**20,655**	**18,400**

Comparison of the balance sheet as of 31 December 2019 with the balance sheet as of 31 December 2018

Fixed assets as at 31 December 2019 amounted to kEUR 7,870, which was an increase of kEUR 481 compared to as at 31 December 2018. The increase was due to investments in capitalized own work.

Receivables and other assets as at 31 December 2019 totaled kEUR 2,095, which was a decrease of kEUR 2,954 compared to as at 31 December 2018. Receivables and other assets as at 31 December 2019 included trade receivables in the amount of kEUR 1,845 (31 December 2018: kEUR 4,940) and other assets in the amount of kEUR 250 (31 December 2018: kEUR 109). The difference in trade receivables is due to the fact that in fiscal year 2019 invoices were issued on the first day of delivery and not in advance as in the previous periods. Cash and cash equivalents also decreased to kEUR 617 as at 31 December 2019 compared to kEUR 1,112 as at 31 December 2018. As a result current assets as at 31 December 2019 totaled kEUR 2,711 compared to kEUR 6,161 as at 31 December 2018.

Prepaid expenses include expenditures prior to the reporting date that represent expenses after the reporting date. As at 31 December 2019 prepaid expenses amounted to kEUR 481 compared to kEUR 611 as at 31 December 2018.

Due to the consolidated loss for the year ended 31 December 2019 in the amount of kEUR 13,979, the deficit not covered by equity as at 31 December 2019 increased to kEUR 20,502 compared to kEUR 6,494 as at 31 December 2018.

Contributions made to implement the resolved capital increase as at 31 December 2019 amounted to kEUR 8,490, with no corresponding amount as of 31 December 2018. This line item relates to the resolution of the general shareholders' meeting held on 5 December 2019 regarding the Capital Increase in Kind.

Provisions as at 31 December 2019 amounted to kEUR 11,484, which was an increase of kEUR 10,041 compared to 31 December 2018. The significant increase is mainly driven by a provision for the stock appreciation programme.

Liabilities as at 31 December 2019 amounted to kEUR 7,437, which was a decrease of kEUR 7,722 compared to as at 31 December 2018. The main driver of this decrease was the decrease of liabilities to shareholders from kEUR 11,983 as at 31 December 2018 to kEUR 3,140 as at 31 December 2019.

Deferred income includes income that was received prior to the reporting date but represents income after the reporting date. Deferred income as at 31 December 2019 amounted to kEUR 4,152 compared to kEUR 4,053 as at 31 December 2018.

Total assets and total equity and liabilities, respectively, as at 31 December 2019 increased to kEUR 31,563 compared to kEUR 20,655 as at 31 December 2018.

Comparison of the balance sheet as of 31 December 2018 with the balance sheet as of 31 December 2017

Fixed assets as at 31 December 2018 amounted to kEUR 7,389, which was an increase of kEUR 200 compared to as at 31 December 2017. The increase was due to investments in the IT infrastructure.

Receivables and other assets as at 31 December 2018 totaled kEUR 5,049, which was an increase of kEUR 429 compared to as at 31 December 2017. Receivables and other assets as at 31 December 2018 include trade receivables in the amount of kEUR 4,940 (31 December 2017: kEUR 4,590) and other assets in the amount of kEUR 109 (31 December 2017: kEUR 30). Cash and cash equivalents also increased to kEUR 1,112 as at 31 December 2018 compared to kEUR 550 as at 31 December 2017. As a result current assets as at 31 December 2018 totaled kEUR 6,161 compared to kEUR 5,170 as at 31 December 2017.

Prepaid expenses include expenditures prior to the reporting date that represent expenses after the reporting date. As at 31 December 2018 prepaid expenses amounted to kEUR 611 compared to kEUR 240 as at 31 December 2017.

Due to the consolidated loss for the year 2018 in the amount of kEUR 632, the deficit not covered by equity as at 31 December 2018 increased to kEUR 6,494 compared to kEUR 5,801 as at 31 December 2017.

Liabilities as at 31 December 2018 amounted to kEUR 15,159, which was an increase of kEUR 1,849 compared to as at 31 December 2017. The main drivers of this increase were the increase of bank liabilities fom kEUR 704 as at 31 December 2017 to kEUR 1,384 as at 31 December 2018 and the increase of liabilities to shareholders from kEUR 10,803 as at 31 December 2017 to kEUR 11,983 as at 31 December 2018. With kEUR 1,443 provisions remained almost stable as at 31 December 2018 (31 December 2017: kEUR 1,653).

Deferred income includes income that was received prior to the reporting date but represents income after the reporting date. Deferred income as at 31 December 2018 amounted to kEUR 4,053 compared to kEUR 3,437 as at 31 December 2017.

Total assets and total equity and liabilities, respectively, as at 31 December 2018 increased to kEUR 20,655 compared to kEUR 18,400 as at 31 December 2017.

4.6.4.2 Exasol AG

The following table presents financial information from the balance sheets as at the dates indicated.

	As of 31 December		
	2019	**2018**	**2017**
(EUR in thousands)		**(audited)**	
Fixed assets	**17,173**	**15,731**	**15,151**
Intangible assets	9,022	7,585	7,005
Property, plant and equipment	58	54	54
Financial assets	8,092	8,092	8,092
Current assets	**6,777**	**6,808**	**5,602**
Receivables and other assets	6,708	6,631	5,398
Cash and cash equivalents	69	177	203
Prepaid expenses	**108**	**203**	**48**
Total Assets	**24,057**	**22,743**	**20,801**
Equity	**626**	**7,062**	**6,833**
Issued capital	15,152	15,654	15,654
Capital reserve	13,458	12,956	12,956
Accumulated losses brought forward	-21,547	-21,777	-22,119
Net income for the year	-6,436	230	342
Contributions made to implement the resolved capital increase	**8,490**	**0**	**0**
Provisions	**8,327**	**839**	**942**
Liabilities	**6,604**	**14,805**	**12,912**
Deferred Income	**10**	**36**	**115**
Total Equity and liabilities	**24,057**	**22,743**	**20,801**

Comparison of the balance sheet as of 31 December 2019 with the balance sheet as of 31 December 2018

Fixed assets amounted to kEUR 17,173 as at 31 December 2019, compared to kEUR 15,731 as at 31 December 2018. The increase was due to an increase of intangible assets resulting from the capitalization of intragroup costs.

Receivables and other assets totaled kEUR 6,708 as at 31 December 2019, compared to kEUR 6,631 as at 31 December 2018. Cash and cash equivalents remained almost stable with kEUR 69 as at 31 December 2019 compared to kEUR 177 as at 31 December 2018. The increase in receivables and other assets was largely offset by a decrease in cash and cash equivalents, resulting in current assets slightly decreasing to kEUR 6,777 as at 31 Decemer 2019 compared to kEUR 6,808 as at 31 December 2018.

Prepaid expenses include expenditures prior to the reporting date that represent expenses after the reporting date. As at 31 December 2018 prepaid expenses amounted to kEUR 203 compared to kEUR 108 as at 31 December 2019.

Due to the net loss for the year 2019 in the amount of kEUR -6,436, equity as at 31 December 2018 decreased to kEUR 626 compared to kEUR 7,062 as at 31 December 2018.

Contributions made to implement the resolved capital increase as at 31 December 2019 amounted to kEUR 8,490, with no corresponding amount as of 31 December 2018. This line item relates to the resolution of the general shareholders' meeting held on 5 December 2019 regarding the Capital Increase in Kind.

Liabilities as at 31 December 2019 amounted to kEUR 6,604, which was a decrease of kEUR 8,201 compared to as at 31 December 2018. The main driver of this decrease was the conversion of several shareholder loans to equity.

Deferred income includes income that was received prior to the reporting date but represents income after the reporting date. Deferred income as at 31 December 2018 amounted to kEUR 36 compared to kEUR 10 as at 31 December 2019.

Total assets and total equity and liabilities, respectively, as at 31 December 2019 increased to kEUR 24,057 compared to kEUR 22,743 as at 31 December 2018.

Comparison of the balance sheet as of 31 December 2018 with the balance sheet as of 31 December 2017

Fixed assets as at 31 December 2018 amounted to kEUR 15,731, which was an increase of kEUR 580 compared to as at 31 December 2017. The increase was due to an increase of intangible assets resulting from the capitalization of intragroup costs.

Receivables and other assets as at 31 December 2018 totaled kEUR 6,631, which was an increase of kEUR 1,233 compared to as at 31 December 2017. Receivables and other assets as at 31 December 2018 include receivables from affiliated companies in the amount of kEUR 6,598 (31 December 2017: kEUR 5,333) and other assets in the amount of kEUR 33 (31 December 2017: kEUR 22); as at 31 December 2017 trade receivables in the amount of kEUR 43 were also included. Cash and cash equivalents remained almost stable with kEUR 177 as at 31 December 2018 compared to kEUR 203 as at 31 December 2017. Due to the increase of receivables and other assets current assets increased to kEUR 6,808 (31 December 2017: kEUR 5,602).

As at 31 December 2018 prepaid expenses amounted to kEUR 203 compared to kEUR 48 as at 31 December 2017.

Due to the positive net income for the year 2018 in the amount of kEUR 230, equity as at 31 December 2018 increased to kEUR 7,062 compared to kEUR 6,833 as at 31 December 2017.

Liabilities as at 31 December 2018 amounted to kEUR 14,805, which was an increase of kEUR 1,893 compared to as at 31 December 2017. The main drivers of this increase were the increase of bank liabilities fom kEUR 668 as at 31 December 2017 to kEUR 1,207 as at 31 December 2018 and the increase of liabilities to shareholders from kEUR 10,803 as at 31 December 2017 to kEUR 11,983 as at 31 December 2018.

Deferred income as at 31 December 2018 amounted to kEUR 36 compared to kEUR 115 as at 31 December 2017.

Total assets and total equity and liabilities, respectively, as at 31 December 2018 increased to kEUR 22,743 compared to kEUR 20,801 as at 31 December 2017.

4.6.5. Analysis of Statements of Cash Flows

4.6.5.1 Exasol Group

The following table sets forth cash flow data for the periods indicated.

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)		**(audited)**	
Loss/profit for the period …………………………………………………	-13,979	-632	1,318
Amortisation, depreciation and write-downs on fixed assets…………….	2,198	1,868	1,672
Increase/decrease in provisions ……………………………..…………..	9,770	-210	526
Other non-cash expenses/income ……………………………………...	-3,488	-3,254	-4,236
Increase in inventories, trade receivables and other assets not attributable to investing or financing activities ……………………………	2,505	-1,043	-620
Increase in trade payables and other liabilities not attributable to investing or financing activities ….……………………………………	4,465	4,042	2,965
Interest expense/income ……………………….…………………….	699	527	527
Income tax expense …………….……………………………………….	125	3	10
Other operating income from grants ……………………………..……..	-24	-70	-222
Income taxes paid ………………………………………….………….	-45	-3	-131
Cash flows from operating activities …………………………..………	**2,226**	**1,228**	**1,809**
Acquisition of intangible assets ………………………………………....	-2,262	-1,421	-1,339
Acquisition of property, plant and equipment ……………………….….	-417	-647	-188
Interest received ………………………………………………………	1	-	-
Cash flows from investing activities ……………………………..….	-2,678	**-2,068**	**-1,527**
Proceeds from the issue of bonds and from loans and borrowings ……	-	924	54
Repayments of bonds and borrowings …………………………………..	-851	-73	-3,226
Proceeds from grants received ………………………………………....	24	70	222

Interest paid ……………………………………………………..………..….	-77	-57	-105
Cash flows from financing activities …………………………………..….	**-904**	**864**	**-3,055**
Net change in cash and cash equivalents …………………………..…………	-1,356	24	-2,773
Effect of movements in exchange rates and remeasurements on cash held………….……………………………………………………………....	-14	-1	-11
Cash and cash equivalents at the beginning of the period ……….…….	**-95**	-118	2,666
Cash and cash equivalents at the end of the period .. ………………	**-1,465**	**-95**	**-118**

Comparison of the financial year ended 31 December 2019 with the financial year ended 31 December 2018

Cash flows from operating activities

Net cash flows from operating activities were positive for the year ended 31 December 2019 and amounted to a cash inflow of kEUR 2,226 compared to a cash inflow from operating activities with an amount of kEUR 1,228 in 2018.

For the year ended 31 December 2019 cash flows from operating activities were the result of an increase of the non-cash items depreciation, amortisation and write-downs of fixed assets amounting to kEUR 2,198, an increase in provisions amounting to kEUR 9,770, a decrease in inventories, trade receivables and other assets in the amount of kEUR 2,505 and an increase of trade payables in the amount of kEUR 4.465.

In the preceding year, non-cash items such as depreciation, amortization and write-downs of fixed assets increased operating cash flows by kEUR 1,868. An increase in inventories, trade receivables and other assets in the amount of kEUR 1,043 was compensated by an increase in trade payables and other liabilities which totaled kEUR 4,042.

Cash flows from investing activities

Investment activities led to net cash outflows of kEUR 2,678 for the year ended 31 December 2019, while cash outflows in 2018 totaled kEUR 2,068. In each year the main effect resulted from investments in intangible fixed assets amounting to kEUR 2,262 in the year ended 31 December 2019 and kEUR 1,421 in 2018.

Cash flows from financing activities

Repayment of borrowings amounting to kEUR 851 led to cash outflows from financing activities which totaled kEUR 904 for the year ended 31 December 2019, while net cash inflows from financing activities amounting to kEUR 864 for the year ended 31 December 2018 primarily resulted from proceeds of borrowings of kEUR 924.

Comparison of the financial year ended 31 December 2018 with the financial year ended 31 December 2017

Cash flows from operating activities

Net cash flows from operating activities were positive for the year ended 31 December 2018 and amounted to a cash inflow of kEUR 1,228 in 2018 compared to a cash inflow from operating activities with an amount of kEUR 1,809 for the year ended 31 December 2017.

For the year ended 31 December 2018 cash flows from operating activities were increased by non-cash items depreciation, amortisation and write-downs of fixed assets amounting to kEUR 1,868. An increase in inventories, trade receivables and other assets in the amount of kEUR 1,043 was compensated by an increase in trade payables and other liabilities which totaled kEUR 4,042.

Non-cash items such as depreciation, amortization and write-downs of fixed assets increased operating cash flows by kEUR 1,672 for the year ended 31 December 2017, while a decrease in inventories, trade receivables and other assets amounting to kEUR 620 was almost compensated by a increase of trade payables and other liabilities in the amount of kEUR 2,965.

Cash flows from investing activities

Investment activities led to net cash outflows of kEUR 2,068 for the year ended 31 December 2018, while cash outflows for the year ended 31 December 2017 totaled kEUR 1,527. In each year the main effect resulted from investments in intangible fixed assets amounting to kEUR 1,421 for the year ended 31 December 2018 and kEUR 1,339 for the year ended 31 December 2017.

Cash flows from financing activities

Proceeds from borrowings amounting to kEUR 924 led to cash inflows from financing activities which totaled kEUR 864 for the year ended 31 December 2018, while net cash outflows from financing activities amounting to kEUR 3,055 for the year ended 31 December 2017 primarily resulted from repayments of borrowings of kEUR 3,226.

4.6.5.2 Exasol AG

The following table sets forth cash flow data for the periods indicated.

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands)		**(audited)**	
Profit for the period (net income including share of profit of other shareholders) …………………………………………………………………	-6,436	230	342
Amortisation, depreciation and write-downs on fixed assets ……………………	2,168	1,785	1,540
Increase/decrease in provisions …………………………………………………	7,257	-102	26
Other non-cash expenses/income ………………………………………………	168	-66	-76
Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities ………………………………………...	-48	-1,104	1,289
Increase/decrease in trade payables and other liabilities not related to investing or financing activities …………………………………………………	-224	209	-1,029
Interest expense/income …………………………………………………………	337	180	159
Income tax expense/income ……………………………………………………	40	-	9
Other operating income from grants ……………………………………………	-24	-70	-222
Income taxes paid ………………………………………………………………	-	-	-9
Cash flows from operating activities ……………………………………………	**3,238**	**1,062**	**2,029**
Acquisition of intangible assets …………………………………………………	-3,544	-2,309	-1,449
Acquisition of property, plant and equipment……………………………………	-65	-56	-30

Interest received ……………………………………………………………………..	196	-	0
Cash flows from investment activities ……………………………………….	**-3,413**	**-2,365**	**-1,479**
Proceeds from the issuance of bonds and from borrowings …………………..…..	0	750	-
Repayments of bonds and borrowings ……………………………………..…..	-784	-36	-3,201
Proceeds from subsidies/grants received ……………………………………...	24	70	222
Interest paid ……………………………………………………………………….	-47	-46	-102
Cash flows from financing activities ……………………….......................	**-807**	**737**	**-3,082**
Net increase/decrease in cash and cash equivalents ……………………………	-982	-566	-2,532
Cash and cash equivalents at the beginning of the period ………………………	-1,030	-464	2,068
Cash and cash equivalents at the end of the period ……………………..……	**-2,013**	**-1,030**	**-464**

Comparison of the financial year ended 31 December 2019 with the financial year ended 31 December 2018

Cash flows from operating activities

Net cash flows from operating activities were positive both for the year ended 31 December 2019 and for the year ended 31 December 2018 and amounted to a cash inflow of kEUR 3,238 and kEUR 1,062, respectively.

For the year ended 31 December 2019 cash flows from operating activities were principally increased by non-cash items such as amortisation, depreciation and write-downs on fixed assets by kEUR 2,168 and provisions by kEUR 7,257.

For the year ended 31 December 2018 cash flows from operating activities were increased by non-cash items amortisation, depreciation and write-downs on fixed assets amounting to kEUR 1,785. An increase in inventories, trade receivables and other assets in the amount of kEUR 1,104 was only in part compensated by an increase in trade payables and other liabilities which totaled kEUR 209.

Cash flows from investment activities

Investment activities led to net cash outflows of kEUR 2,365 for the year ended 31 December 2018, while cash outflows for the year ended 31 December 2019 totaled kEUR 3,413. In each year the main effect resulted from investments in intangible assets amounting to kEUR 2,309 for the year ended 31 December 2018 and kEUR 3,544 for the year ended 31 December 2019.

Cash flows from financing activities

Net cash outflows from financing activities amounting to kEUR 807 for the year ended 31 December 2019 primarily resulted from repayments of borrowings of kEUR 784 while proceeds from borrowings amounting to kEUR 750 led to cash inflows from financing activities which totaled kEUR 737 for the year ended 31 December 2018.

Comparison of the financial year ended 31 December 2018 with the financial year ended 31 December 2017

Cash flows from operating activities

Net cash flows from operating activities were positive both for the year ended 31 December 2018 and for the year ended 31 December 2017 and amounted to a cash inflow of kEUR 1,062 in 2018 and kEUR 2,029 in 2017.

For the year ended 31 December 2018 cash flows from operating activities were increased by non-cash items amortisation, depreciation and write-downs on fixed assets amounting to kEUR 1,785. An increase in inventories, trade receivables and other assets in the amount of kEUR 1,104 was only in part compensated by an increase in trade payables and other liabilities which totaled kEUR 209.

Non-cash items such as amortisation, depreciation and write-downs on fixed assets increased operating cash flows by kEUR 1,540 for the year ended 31 December 2017, while a decrease in inventories, trade receivables and other assets amounting to kEUR 1,289 was almost compensated by a decrease of trade payables and other liabilities in the amount of kEUR 1,029.

Cash flows from investment activities

Investment activities led to net cash outflows of kEUR 2,365 for the year ended 31 December 2018, while cash outflows for the year ended 31 December 2017 totaled kEUR 1,479. In each year the main effect resulted from investments in intangible assets amounting to kEUR 2,309 for the year ended 31 December 2018 and kEUR 1,449 for the year ended 31 December 2017.

Cash flows from financing activities

Proceeds from borrowings amounting to kEUR 750 led to cash inflows from financing activities which totaled kEUR 737 for the year ended 31 December 2018, while net cash outflows from financing activities amounting to kEUR 3,082 for the year ended 31 December 2017 primarily resulted from repayments of borrowings of kEUR 3,201.

4.7. Trend Information

This section contains a description of the most significant trends affecting the business of Exasol since the end of the financial year ended 31 December 2019 and up to the date of this Prospectus (the ***Relevant Period***).

Sales and selling prices

During the financial year 2019 Exasol generated revenues of kEUR 21,612 which was an increase of 22% compared to the financial year 2018 (kEUR 17,715). Exasol's recurring revenue as a percentage of revenue, including subscriptions and recurring support contracts, was 70% for the year ended 31 December 2019. Since then, the share of recurring revenue has increased until the end of the Relevant Period. Selling prices remained stable during the Relevant Period.

Costs

In the Relevant Period, Exasol had increased costs. The increase was mainly driven by increased personnel costs due to an expansion of the sales structure and associated higher sales and marketing costs. The expected reduction in personnel costs through short time work and the restructuring in March 2020 (see Section 4.2.13) will take full effect after the Relevant Period.

Production and inventory

Exasol does not have any inventory and has not engaged in any production activities in the Relevant Period.

5. Working Capital Statement and statement of Capitalisation and Indebtedness

5.1. Working Capital Statement

In the Company's opinion the working capital is sufficient for Exasol Group's present requirements, *i.e.* for a minimum of twelve months following the date of the Prospectus.

5.2. Capitalisation and Indebtedness

The following tables show an overview of the capitalisation and of the net financial indebtedness of Exasol Group as of 29 February 2020 taken or derived from Exasol's accounting records.

In a loan agreement dated 20 April 2020, SYNTOS Beteiligungs GmbH and Hesz'sche Privatstiftung granted a shareholder loan to the Company in an aggregate nominal amount of EUR 1.2 million. The loan has a term until 27 April 2021 with early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company and (ii) an initial public offering of the shares in the Company. The loan is subject to an interest rate of 8 % p.a.; interest is due for payment on 31 December 2020. In case of an exit an additional exit premium in the amount of 5% initially, and 10% after three months, of the loan amount has to be paid by the Company.

No other significant changes regarding capitalisation and net financial indebtedness have occurred between 29 February 2020 and the date of the Prospectus.

5.2.1. Capitalisation

(EUR in thousands)	As of 29 February 2020 (unaudited)
Total Current Debt[1)]	**11,428**
- Guaranteed	0
- Secured	0
- Unguaranteed/Unsecured	11,428
Total Non-Current Debt[2)] (excluding current portion of long-term debt)	**6,180**
- Guaranteed	0
- Secured	0
- Unguaranteed/Unsecured	6,180
Total Debt	**17,608**
Shareholders´ Equity[3)]	**-12,045**
Share capital[4)]	16,236
Legal reserve[5)]	19,982
Other reserves[6)]	-48,263
Total[7)]	**5,563**

1) Corresponds to the sum of current (remaining term up to one year) other provisions (kEUR 5,082) and current liabilities (kEUR 6,346). Other provisions include provision for the SAR Compensation of the Management Board and employees in the amount of kEUR 2,400.

[2] Corresponds to the sum of non-current (remaining term more than one year) other provisions (kEUR 6,049) and non-current liabilities (kEUR 130). The non-current other provisions reflect the long term SAR Compensation of the Management Board and employees.

[3] Reflects sum of share capital, legal reserves and other reserves.

[4] Reflects increased share capital of kEUR 17,118 and includes kEUR 882 deduction for own shares.

[5] Reflects capital reserve and includes the corporate agio from the debt-to-equity swap.

[6] Includes accumulated deficit brought forward as of 31 December 2019, difference in equity due to currency translation and the contribution of treasury shares in the amount of kEUR 882. The net profit/loss for the interim period ended 29 February 2020 is not included.

[7] Corresponds to the sum of Total Debt and Shareholders' Equity.

5.2.2. Net Financial Indebtedness

		As of 29 February 2020
EUR in thousands		**(unaudited)**
A.	Cash	746
B.	Cash equivalent	0
C	Trading securities..	0
D	**Liquidity** (A)+(B)+(C) **..**	**746**
E	**Current Financial Receivables**[1] **………………………**	**1,698**
F	Current bank debt[2]	927
G	Current portion of non current debt[3]	104
H	Other current financial debt[4]	10,398
I	**Current Financial Debt** (F)+(G)+(H) **……………………**	**11,428**
J	**Net Current Financial Indebtedness** (I)-(E)-(D) **……...**	**8,984**
K	Non current bank loans	0
L	Bonds issued	0
M	Other non current loans[5]	6,180
N	**Non Current Financial Indebtedness** (K)+(L)+(M) **…..**	**6,180**
O	**Net Financial Indebtedness** (J)+(N).............................	**15,164**

[1] Corresponds to trade receivables and other current assets.

[2] Corresponds to liabilities to banks with a remaining term of up to one year.

[3] Corresponds to bank loans with a remaining term of up to one year.

[4] Corresponds to the trade payables, other liabilities and provisions, each with a remaining term of up to one year.

5) Corresponds to provisions with a remaining term of 1 to 5 years.

5.2.3. Indirect and Contingent Liabilities

As of 29 February 2020, there were no indirect or contingent liabilities.

6. Risk Factors

An investment in the Shares of Exasol AG is subject to risks. The material risks of the Company or the Shares of the Company are described below.

The Company has divided the following risks in several categories and has within each category set out the two most material risks first. When assessing the materiality of the risk factors, the Company has taken into account their negative impact on the Company and the Shares and the probability of their occurrence. A statement on this assessment as of the date of this Prospectus based on the relevant risk's potential negative impact on the Company and the Shares and the probability of its occurrence is included at the end of each risk factor, by means of statements whether the risk has an "adverse effect", a "material adverse effect" or a "highly adverse effect". As both, impact and probability, were taken into account when determining the potential influence, it is possible that a risk with a comparatively higher probability of occurrence, but a comparatively lower impact is considered to have a "material adverse effect" or a "highly adverse effect".

6.1. Risks related to Markets in which the Exasol Group operates

6.1.1. Risk of decline or stop of investments in IT-infrastructure due to general macroeconomic developments

Exasol's performance is influenced by macroeconomic developments and the general business climate. The Company perceives that in times of economic and political uncertainty enterprises often hold back with major investments because they are saving financial resources for a possible economic crisis. This applies in particular to major and long-term investments in IT infrastructure, such as the Exasol database. The Exasol database is usually purchased either to replace or to improve or extend an existing system. Such investments are the first to be postponed or cancelled in times of a potential economic crisis. Therefore, macroeconomic changes may have a negative impact on the investment behaviour of customers of Exasol who possibly decide to postpone investments in their IT infrastructure. The present significant economic downturn and the economic uncertainties due to the current COVID-19 pandemic, the effects of which for Exasol and its business cannot be foreseen at present, could lead to Exasol's existing and/or new customers' reassessing or postponing investments in IT infrastructure. This is particularly likely to be the case if the COVID-19 crisis has a lasting impact on economic development, for example if a vaccine cannot be developed over a longer period of time and loosening or early loosening of quarantine measures leads to rising infection rates. This could result in a longer-lasting review that has a lasting negative impact on the procurement behaviour of capital goods (including software). In addition, at the moment it is also uncertain whether a possible reluctance to invest in certain industries will be compensated by increased investment in IT infrastructure in industries that benefit from the pandemic (especially the healthcare industry). Further specific potential macroeconomic risks that have been identified by Exasol include the potentially unsystematic exit of the United Kingdom from the European Union (the ***EU***) and customs repeatedly threatened by the United States to the European Union, in particular with respect to cars. Therefore, Exasol may experience a significant decline in revenue, revenue growth and profitability during economic downturns due to reductions in subscriptions or sale of licenses to its products or increased difficulty in attracting new customers, whether as a result of potential new customers freezing capital for investment projects or otherwise, longer sales cycles, slower adoption of new technologies and increased price competition. This may have a highly adverse effect on Exasol's revenue and therefore on its results of operation and financial condition. This risk could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.1.2. Risk of increasing competition

Due to the broad range of applications and use cases for its database, Exasol faces competition from many competing providers, types of technologies and solutions in the market. These include free tools, open sources projects, as well as well-established and emerging software providers. Exasol expects that the expansion of use cases for its products will increase the number of providers with whom it competes. Further, as perceived by the Company, the data analytics market is currently dominated by few large traditional vendors, whereas Exasol is still a relatively small company. Therefore, Exasol's success in the data analytics market may encourage new entrants, in particular other smaller and middle-sized companies, not currently considered to be competitors to enter the market, including through acquisitions, partnerships or strategic relationships. Furthermore, also the existing competitors, including those benefiting from larger economies of scale, may focus more on the data analytics market in the future. Those existing and potential competitors also include companies having access to larger financial resources, in particular the major traditional vendors in the database management system market. These competitors may be in a position to engage in more extensive and cost-intensive marketing activities and to offer their customers more favourable terms, in particular regrading pricing. Therefore, the increased competitive pressure may lead to falling sales prices, pressure on margins and/or loss of customers and market share. As a result, Exasol may have to decrease prices or increase its marketing and other expenses or otherwise change its overall strategy for bringing its solutions to customers to attract and retain customers in response to competitive pressures. Therefore, the intensification of competition could have a highly adverse effect on Exasol's business operation, business development, financial position and prospects. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.1.3. Risk of rapid technological changes in the data analytics market

The data analytics market in which Exasol operates is characterized by rapid technological changes as well as frequent introduction of new products, services and features. Exasol's business depends significantly on its ability to effectively adapt and respond to technological advancements by enhancing and improving its product and service offering and introducing new features and interoperability across an increasing range of devices, operating systems and third-party applications. Exasol's customers may require features and capabilities that its current products lack. Moreover, the development of new products or new features for Exasol's existing products may require substantial investment. Such investments could fail; for example, if Exasol's R&D investments do not accurately anticipate user demand, including for new and emerging use cases, it may fail to retain its existing customers or increase demand for its products.

The introduction of new products and services by competitors or the development of entirely new technologies could make Exasol's products less attractive or obsolete. Exasol could experience difficulties with software development or design as a result of technological changes such as the introduction of new operating system restrictions which limit the feasibility of the implementation of Exasol's products. Such changes could delay or prevent the development or implementation of new products or features or any required patches or other fixes for errors or defects. Any such delays could result in adverse publicity, significant loss of revenue or market acceptance, or claims by customers brought against Exasol and therefore have a highly adverse effect on its operating results, financial condition and business prospects, which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.1.4. Risk of lack of patents

Exasol does not hold any patents or patent applications on the technology underlying its analytical database. The respective intellectual property is mainly protected by contractual provisions, which offer only limited protection. On the other hand, competitors of Exasol hold patents which provide better legal protection and thus lead to competitive advantages of these companies. In particular, they are in a position to use patent protection as a sales argument in favour of the protected products in the sales process. This in turn could have a material adverse effect on Exasol's own competitive position and therefore on its business development and prospects. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2. Risks related to the Exasol Group’s Business

6.2.1. Risk of possible or perceived disruptions or vulnerabilities in Exasol’s products, solutions or cloud infrastructure, including risks from security attacks

Exasol’s business relates to the analysis of data and, thus, its operations involve the processing of customer data or information. Any unauthorized intrusion, malicious software infiltration, network disruption, denial-of-service (*i.e.* an attack to prevent legitimate users from accessing the offered services) or similar act by a malevolent party could disrupt the integrity, continuity, security and trust of Exasol’s software, services or systems or the systems of its customers. These security risks could create costly litigation, significant financial liability, increased regulatory scrutiny, financial sanctions and a loss of confidence in Exasol’s ability to serve customers and cause current or potential customers to choose another IT solution, any of which could have a material adverse impact on its business.

Cyberattacks and other malicious internet-based activity targeting companies and individuals are on the rise and becoming increasingly sophisticated. Cloud-based platform providers of products and services have been and are expected to continue to be targeted and may be particularly attractive to attackers. In addition to traditional cyber-attacks such as computer “hackers”, malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks, sophisticated nation-state actors and nation-state supported actors have also been reported to engage in cyber-attacks.

Although Exasol has not identified unauthorized access to its networks and servers in the past, it may be targeted in the future. Further, Exasol may not have been able or will be able to detect or remedy any such incidents. As these threats continue to evolve, Exasol is required to, and continues to, invest significant resources to continuously modify and enhance its information security and controls or to investigate and remediate any security vulnerabilities. Despite significant efforts to create and improve security barriers to such threats, Exasol may not be able to prevent cyber security breaches in the future or to promptly and effectively remedy any such breaches. Additionally, Exasol could not be able to address any vulnerability in its software that it may become aware of in the future. Although Exasol closely selects and manages the third-party providers it works with, it is nevertheless dependent in part on third-party security measures to protect against unauthorized access, cyberattacks and the mishandling of data and information.

Any cyber security breaches, attacks or vulnerabilities could, among other things, result in theft of customer data, significant downtime of Exasol’s systems or other interruptions to, or malfunctions in, its operations, lost revenue due to network downtime and increased costs to address cybersecurity issues including attempts to prevent future incidents and any negative publicity or any perception that Exasol’s software, services or systems have been subject to a data breach, malicious software infiltration or other similar act, regardless of whether or not such breach or other similar act actually occurred, could have a very negative impact on its reputation, potentially resulting in loss of customers or the inability to attract new customers, all of which could have a highly adverse effect on its business and prospects, and which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.2. Risk of actual or perceived data security incidents becoming public

Legislative bodies in several jurisdictions in which Exasol operates have enacted laws requiring companies to provide notice of data security incidents. In addition, some of Exasol's customers may require it to notify them of data security incidents. Security compromises experienced by Exasol's competitors, by its customers or Exasol itself may lead to public disclosures, which may lead to widespread negative publicity. As Exasol's business relates to the analysis of data and, thus, its operations involve the processing of customer data, Exasol's customers are extremely sensitive to security incidents. Negative publicity regarding any security incident at Exasol or in Exasol's industry, whether actual or perceived, could harm its reputation, erode confidence in the effectiveness of Exasol's security measures, negatively affect its ability to attract new customers, cause existing customers to elect not to renew their subscriptions or subject it to third-party lawsuits, regulatory fines or other action or liability, and could result in significant increases in costs, including costs for remediating the effects of such an event, additional marketing costs to address any negative impact on Exasol's market perception, all of which could have a highly adverse effect on Exasol's reputation, business and financial condition. This risk could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.3. Risk to lose senior management team and technical experts and lack of skilled employees with suitable technical expertise

Exasol's future success depends to a significant extent on the ability and experience of members of its senior management, sales employees and technical experts focused on software development, in particular its core coders and programmers, as well as on its ability to continue to attract, adequately compensate and retain such personnel. In particular, coders and programmers involved in the development of the database are of enormous importance for Exasol. The market for such specialists is quite narrow and competition for suitably qualified individuals with sales expertise or with the relevant technical expertise in the technology and software industries is intense, and Exasol may not recognize or respond adequately to market dynamics in order to retain or recruit key staff or may incur additional costs in order to respond effectively to these market dynamics. Furthermore, Exasol may be required to increase employee compensation to attract and retain employees. Such increases could adversely affect Exasol's margins. Exasol may face additional challenges in recruiting skilled employees as it enters new markets.

If Exasol is unable to identify, attract, develop, motivate, adequately compensate and retain well-qualified and engaged personnel, or if existing highly skilled and specialized personnel leave Exasol and ready successors or adequate replacements are not available, Exasol may not be able to manage its operations effectively or execute its business strategy. In turn, this could cause Exasol to suffer delays in new product development or software implementations, otherwise fail to satisfy customers' demands or could delay or prevent the achievement of Exasol's business objectives, which could severely harm Exasol's operations and ability to grow and have a material adverse effect on its reputation and business prospects. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.4. Risk of disruption to, or failure of, Exasol's IT systems, third party infrastructure, including the internet, or suppliers

Exasol's business operations, including its administration, human resources and accounting services, depend on the proper functioning of its IT infrastructure and upon its ability to protect its technology infrastructure against damage from business continuity events that could have a significant disruptive effect on its operations. Although Exasol has not experienced any significant business continuity event to date, a failure to protect its technology infrastructure may occur in the future. In addition Exasol uses infrastructure provided by a number of third-party providers such as cloud infrastructure services provided by vendors such as Amazon Web Services and Microsoft Azure, which it does not control, and Exasol’s operations depend on protecting the virtual cloud infrastructure hosted in third parties by maintaining its configuration, architecture, and interconnection specifications, as well as the information stored in these virtual data centres which is transmitted by third-party internet service providers. The technology infrastructure Exasol uses, including third-party infrastructure, is vulnerable to damage or interruption from human error, intentional bad acts, natural disasters, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events, any of which could disrupt its service. Damage to, or failure of, such infrastructure could cause data to be lost and otherwise result in interruptions or delays in Exasol’s services, including its ability to complete sales, to issue invoices and take payments from customers and provide customer service which may result in violating service level agreements with customers.

Exasol has experienced, and may in the future experience, other interruptions and delays in its services caused by a variety of other factors, including but not limited to infrastructure changes, vendor issues, human or software errors, viruses, security attacks, fraud, general internet availability issues, spikes in usage and denial-of-service issues. In some instances, Exasol may not be able to identify the cause or causes of these performance problems within an acceptable period of time or the cause or causes of such problems may be outside its control. All above risks may have a material adverse effect on Exasol's business operations and financial position and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.5. Risk of operational challenges regarding Exasol’s current international operations and plans of further geographic expansion

Exasol sells its products and services in approximately 30 countries. Exasol’s offices, employees, and customers are dispersed in central and north Europe and the United States. This creates operational challenges including the need to localize certain product features and adjusting product pricing to local market levels, expanding marketing and sales force, varying patterns of use in different countries, different payment cycles and difficulties in implementing auto-renewal in some countries and reduced protection of intellectual property rights in some countries, a geographically and culturally diverse workforce and user base, and costs associated with developing software and providing support in many languages.

As part of its growth strategy, Exasol intends to expand its sales and marketing operations in the U.S. The expansion of its existing international operations has required and will continue to require significant management attention and financial resources. In addition, Exasol may be subject to additional risks in connection with this expansion strategy, including integration problems resulting from cultural and geographic dispersion, difficulties in hiring and training experienced personnel for its international operations, risks associated with trade restrictions and foreign legal requirements, the uncertainty of protection for intellectual property rights. Any of these factors could impair Exasol's ability to gain future international revenue, could lead to increased market development costs and could have a material adverse effect on its business. They could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.6. Risk of real or perceived material defects or errors in Exasol’s products

The software technology underlying Exasol’s products is inherently complex and may contain material defects or errors, especially when new products are first introduced or when new features or capabilities are released. In particular, the foundation of Exasol’s offering is its database and any defects in this database could affect nearly all of its products. Exasol has from time to time found defects or errors in its products, and new defects or errors in its existing products or new products may be detected in the future by it or its end users. As may happen to any vendor of software, end users may find errors, failures and bugs in some existing and new offerings after their initial distribution, particularly given that end users may deploy such products in computing environments with software or hardware different than those in which Exasol tests products before release. In addition, certain of Exasol's products operate in conjunction with third party systems which may contain vulnerabilities that Exasol is unable to remedy. The costs incurred in analysing, correcting or eliminating any material defects or errors in software may be substantial. Furthermore, although under the subscription model, Exasol frequently releases updates to its software, it may not be able to correct any defects or errors or address vulnerabilities promptly, or at all, causing significant harm to its reputation and competitive position. Any actual, possible or perceived defects may cause interruptions to the availability of software and result in lost or delayed market acceptance and sales, or may require Exasol to issue refunds to customers or may otherwise create liability claims. Further, Exasol may be obliged to pay contractual penalties to its customers. The above risks may have a material adverse effect on Exasol's business and financial condition and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.7. Cluster risk related to customers

In the year ended 31 December 2019 Exasol generated approx. 35% of sales with its top ten customers, with the largest customer accounting for a share of revenue of approx. 11%. This largest customer is a subscription customer who entered into several agreements for various projects, each agreement having a fixed term of one or two years. In general, Exasol's customer agreements either expire automatically at the end of the term, unless a new agreement is entered into, or are prolonged for a further service period, usually one year, if not terminated by one of the parties with, in general, three months prior notice. If one or several of the top ten customers, in particular the largest customer terminate the business relationship with Exasol for any reason, this would have a material adverse effect on the revenue, the results of operations and financial condition of Exasol, which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.8. Risk of retaining existing and attracting new customers

Exasol's business and results of operations depend upon its ability to attract new customers and to maintain and expand its relationships with existing customers, including upselling and cross-selling additional services to customers. In particular, Exasol already generates part of its revenue growth from upselling to existing customer, in particular by expanding data volumes with the existing subscribers, making it even more important to retain these customers. Exasol's business is increasingly subscription based, and while many of its subscriptions provide for automatic renewal, subscribers are not obligated to and may not renew their subscriptions after their existing subscriptions expire and Exasol cannot ensure that subscribers will renew subscriptions with a similar contract period, for the same or better subscription plan or at all. Renewals of subscriptions may decline or fluctuate because of several factors, such as dissatisfaction with products and support, a subscriber no longer having a need for Exasol's products or the perception that competitive products provide better or less expensive options. In addition, some customers may downgrade their product subscriptions if their needs change. Furthermore, in certain circumstances, Exasol may be unable to renew or face difficulty in renewing contracts and subscriptions as a result of data loss, including as a result of system failures. Additionally, Exasol seeks to expand its billings from existing customers, by upselling add-ons and higher value products and cross-selling additional services. However, these up-selling and cross-selling measures may not be successful. Further, physical meetings are still an important part of Exasol's up-selling and cross-selling measures, in particular to intensify relationships with existing customers and to present higher value products, product improvements and additional services. However, due to the COVID-19 crisis making physical appointments with customers unfeasible, Exasol is transitioning to digital video conferencing one-on-one meetings which in some situations may make it more difficult for Exasol to maintain and expand its relationships with existing customers. The same applies to physical customer events which already have been cancelled and, where transition to a digital medium is not achievable, may have to be cancelled in the future due to the corona virus crisis.

Exasol's revenue growth depends principally on its ability to attract new customers. It must continually add new customers to grow its business beyond its current customer base and to replace customers who choose not to continue to use its products. Exasol's localized sales and marketing strategy and investments in the development of its sales and marketing operations could fail and lead to a reduction of the customer base. Further, face-to-face physical meetings or trade fairs are an important part of customer acquisition, in particular to introduce Exasol and its database to potential customers and to convince them of Exasol's products. Due to the corona virus crisis, trade fairs have already been cancelled and, where transition to a digital medium or setting is not possible, may have to be cancelled in the future. Furthermore, where it is not possible to make personal video conference meetings with potential new customers in the place of physical meetings this may make customer acquisition less effective. In addition, Exasol also sells and markets a portion of its products to customers indirectly through third party distributors and resellers. If third party distributors or resellers are ineffective at marketing or promoting its products, Exasol's billings and revenue could decline.

If Exasol is not able to retain its existing subscribers, upsell and cross-sell its products and increase the number of paying customers, its business, operating result and financial condition could be materially adversely affected. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.9. Risks in connection with the Exasol's use of open source software to develop new software solutions or enhancements to its database

Exasol combines its proprietary software with certain open source software. Open source software is accessible, usable and modifiable by anyone, provided that users and modifiers abide by restrictions and requirements imposed by the applicable open source license. Usage of certain open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Under certain conditions, the use of some open source code to create derivative code may obligate Exasol to make the resulting derivative code available to others at no cost. Exasol monitors the use of open source code in an effort to avoid situations that would require making parts of its core proprietary technology freely available as open source code. Exasol generally either only uses code licensed under open source licenses that allow redistribution and sale of the resulting products without restriction or it seeks to limit the use of open source code that would require release of underlying source code to the development isolated components of Exasol's products that Exasol could release without releasing its core proprietary technology. However, it cannot be excluded that Exasol will not use code governed by more restrictive licenses or that a court will not interpret a license to require certain source code to be made available to the public without charge, which could have a material adverse effect on its business and prospects. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.2.10. Risk of Exasol's failure to maintain its customer relationships and sufficient levels of customer support

Exasol benefits from using feedback from its large customer base to develop new products and features and further enhance its customer engagement. Failure to adequately maintain relationships with its customers could negatively impact Exasol's innovation processes. Once Exasol's database is deployed on customers' IT systems, networks and devices, such customers depend on its technical support services to resolve any issues relating to such software. If Exasol does not effectively assist customers to deploy its software, quickly resolve post-deployment issues, or provide effective ongoing support, its ability to renew such customers' subscriptions would be adversely affected and its reputation with potential customers could be damaged. As Exasol has expanded into serving larger enterprises, such customers have higher demands and more challenging customer support needs than those of its other customers and Exasol has been required to adapt accordingly. In addition, to the extent that Exasol is unsuccessful in hiring, training, and retaining adequate support resources, its ability to provide adequate and timely support to customers will be negatively impacted, and customer satisfaction with its platform will be adversely affected. Exasol's failure to provide and maintain high quality support services globally, especially as its business grows, could lead to a reduction in customers, harm its reputation and business and ultimately have a material adverse effect on its results of operations and prospects which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3. Risks related to Exasol Group's Financing

6.3.1. Risk of failure of Exasol's strategy to expand into other markets

As part of its strategy Exasol intends to significantly expand sales and marketing operations in strategic international growth markets across Europe, particularly the UK, and in the Americas, particularly the United States. As part of the planned expansion, significant investments in personnel and property, plant and equipment are expected to be necessary in order to boost sales, make production processes more efficient or increase organizational profitability with the help of increased resources. Such investments could be higher than expected or it could take a significant longer time than planned to reach any value-enhancing effect. Further, the strategy could fail at all and Exasol could not be able to successfully expand its business to the intended markets. In each case investments made with a view to the expansion of the business could be lost in whole or in part which could lead to material financial losses and could have a highly adverse effect on the results of operations and financial condition of the Company, which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.2. The Offer Price may be at the lower end of the Price Range and/or the Offering may not be implemented in full

Under the Public Offering up to 5,100,000 New Shares will be offered to investors for an Offer Price between EUR 8.50 and EUR 10.50. After expiry of the Offer Period the final number of the Offer Shares and the Offer Price will be determined based on the purchase orders submitted by investors during the Offer Period. In case the demand for New Shares is lower than expected, the Offer price may have to be determined at the lower end of the Price Range and/or the maximum number of New Shares may not be placed. This will result in reduced issue proceeds and a shortfall compared to the intended net issue proceeds (gross proceeds of the sale of the New Shares minus costs related to the sale of the New Shares and the Listing) of EUR 48.45 million in case of the issuance of all New Shares at an Offer Price at the mid-point of the Price Range. A shortfall of issue proceeds may have a significant negative impact on Exasol's growth strategy as Exasol may not be able to invest in and finance the planned measures to the intended extent or at the intended points in time. In such event, Exasol may not be able to achieve the intended growth and profitability. The above risks may have a highly adverse effect on Exasol's financial condition and business prospects and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.3. Liquidity risks resulting from seasonal fluctuations

Exasol's business activities are subject to seasonal fluctuations. In general, incoming orders are declining during the third calendar quarter due to the fact that many decision makers are on vacation during the summer months. Although the order volume usually increases in the fourth calendar quarter, in particular in November and December, as many companies have to spend their IT budgets until the end of a calendar year, incoming cash payments relating to these orders regularly only occur at the beginning of the next year. Further, revenues from regular subscriptions are also usually generated only at the beginning of a calendar year. Consequently, Exasol may have only low liquidity at the end of a calendar year and may be forced to overdraw existing credit lines or ask for a bridge facility from a bank. Overdrawing existing credit lines or additional credit facilities which could cause higher costs and interest. In case no means can be obtained to bridge any low liquidity Exasol further faces the risk not to be able to fulfil its financial obligations in full and/or at the dates due. This could have a material adverse impact on its reputation and harm its business. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.4. Liability risk under the global surety

Exasol AG has granted an unlimited global surety (*betragsmäßig unbegrenzte, selbstschuldnerische Globalbürgschaft*) in favour of Dell Bank International d.a.c. (the ***Dell Bank***) to secure any and all obligations of Exasol Cloud Computing GmbH arising out of its business relationship with Dell Bank International d.a.c. in connection with certain lease agreements. Exasol Cloud Computing GmbH is currently party to lease and similar agreements with Dell Bank providing for monthly leasing costs in the amount of in total kEUR 44 (at the date of the Prospectus). Further, Dell Bank has granted a loan to Exasol Cloud Computing GmbH for the purpose of financing computer hardware with monthly instalments of EUR 3,745. As of 31 December 2019 Exasol Cloud Computing GmbH had a deficit not covered by equity in the amount of EUR 4.1 million. In addition, Exasol Cloud Computing GmbH has achieved a net loss for the financial year 2019 in the amount of approx. kEUR 674. Therefore, it cannot be excluded that Exasol Cloud Computing GmbH will not be able to fulfil its financial obligations under the lease agreements with Dell Bank and that Exasol AG will be held liable for claims of Dell Bank under the global surety, which means that Exasol would have to pay for the debts of its subsidiary. This could have a material adverse effect on its financial condition and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.5. Risk of non-repayment of loans granted to subsidiaries

Exasol AG has granted unsecured loans to its indirect subsidiaries Exasol Cloud Computing GmbH, Exasol Europa Vertriebs GmbH, Exasol UK Ltd. and Exasol, Inc. totalling up to EUR 8.01 million (as at 31 December 2019). As at 31 December 2019 accrued interest thereon in total amounted to kEUR 401. The subsidiaries have so far generated no or only minor surpluses from their business activities so that it is not certain whether the loans, including accrued interest, can be repaid in full. If the loans are partially or fully defaulted this could have a material adverse effect on the Company's own financial position. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.6. Risk of availability of additional capital and financing in the future

Exasol may need additional capital and/or financing facilities, in particular leasing opportunities, in the future to fund its operations and expansion plans, to respond to potential strategic opportunities and to enhance its product portfolio. Exasol's ability to obtain external financing in the future is subject to a variety of uncertainties, including: (i) its financial condition, results of operations and cash flows, and (ii) general market conditions for financing activities. The consolidated balance sheet of Exasol as at 31 December 2018 showed a deficit not covered by equity in the amount of EUR 6.5 million and the consolidated balance sheet as at 31 December 2019 a deficit not covered by equity in the amount of EUR 20.5 million. Further, Exasol has only limited possibilities to provide collateral. Due to these reasons and further factors, including trends in the global capital and credit markets, additional financing may not be available on terms favourable to Exasol or at all. The capital and credit markets have experienced extreme volatility and disruption in recent years and are currently. Market conditions could make it more difficult for Exasol to borrow or otherwise obtain financing. The terms of available financing may also restrict Exasol's financial and operating flexibility, in particular if leasing facilities with respect to hardware components cannot be obtained. If adequate financing and leasing facilities are not available on acceptable terms, Exasol may be forced to reduce its operations or delay, limit or abandon expansion plans or opportunities, which could impair its growth strategy and have a material adverse effect on its business growth, financial position and prospects. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.7. Risk of termination of credit lines

Exasol has been granted credit lines in the amount of in total EUR 1.06 million, including an overdraft of up to EUR 1 million, by HypoVereinsbank until further notice. According to the general terms and conditions of HypoVereinsbank the loans can be terminated any time. Although HypoVereinsbank has to take the Company's interests into account it cannot be ruled out that the overdraft of EUR 1 million is terminated on short notice and that the Company will not be able to replace the credit line immediately and/or to similar conditions. Any of the factors mentioned above could have a material adverse effect on Exasol's liquidity and financial condition and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.8. Risks related to the fulfilment of Exasol's payment obligations with respect to the SAR Compensation claims of the Management Board members

In case of an initial public offering of the Company's Shares Exasol is obliged to pay a special compensation (the ***SAR Compensation***) to its members of the Management Board. The total amount of the SAR Compensation depends on the future market capitalisation of the Company at the initial listing. However, the first instalment is a fixed amount of in total EUR 2.4 million that will become due four weeks after the initial listing. The second instalment becomes due 27 months following the listing of the Company on a stock exchange. To compensate for these payment obligations 881,794 Shares of the Company were contributed to the Company by certain shareholders without consideration. 285,000 of these own Shares are part of the Offering and the proceeds from the sale of these own Sale Shares will exclusively be used to fulfil the Company's payment obligation with respect to the first instalment of the SAR Compensation. The remaining treasury shares will be kept by the Company to be sold in due course when the second instalment of the SAR Compensations becomes due. The number of own Shares to be sold as part of the Offering has been calculated in a way to make sure that the proceeds from the sale of these own Sale Shares should be sufficient to fulfil the payment obligation regarding the first instalment of the SAR Compensation in full, provided that all own Sale Shares are sold at the Offer Price. In case, no or only part of the own Sale Shares can be sold in the course of the Offering the Company has to use part of the proceeds from the sale of the New Shares or existing funds to pay the first instalment. It may also happen, that the remaining treasury shares can not be sold or that the proceeds from the sale of the remaining treasury shares are not sufficient to pay for the second instalment of the SAR Compensation, in which case other own funds would have to be used. In these cases lower amounts will be available for funding the growth strategy of Exasol which could slow down the realization of its expansion plans and have a material adverse effect on the development of Exasol's business and its financial condition. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.9. Foreign currency exchange risks

In Great Britain proceeds are generated by the subsidiary Exasol UK Limited in British pound (**GBP**). Since Exasol UK Limited is not yet profitable, related costs are borne to a large extend by Exasol AG and thus in Euro. Therefore, Exasol is exposed to foreign currency exchange risks because its results of operations and cash flows are subject to fluctuations in foreign currency exchange rates, the impact of which cannot be predicted. Exasol currently does not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the Euro.

Thus, the development of the Euro against the British pound may have a significant impact in Exasol Group. In particular, in the event the British Pound would strengthen against the Euro, Exasol may suffer financial losses due to foreign exchange rate fluctuations.

The financial statements and consolidated financial statements of Exasol are prepared in Euro, foreign currency transactions and items not denominated in euros, in particular items in US-Dollar and GBP resulting from the subsidiaries in the United States and the UK, are translated into Euro at the exchange rate prevailing at the end of the respective period. Therefore, the results of Exasol are subject to the effects of fluctuations in the Euro, particularly against the US-Dollar and British Pound. If, as a result of currency fluctuations, income denominated in a currency other than Euro is lower when translated into Euro and expenses denominated in a currency other than Euro are higher when translated into Euro, this could have a material adverse effect on Exasol's results of operation and financial condition which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.3.10. Interest rates risk

A large part of Exasol's bank debt bears interest at a variable rate which is based on the Euro Interbank Offered Rate (**EURIBOR**) (with a zero floor) plus an applicable margin. As a result, Exasol is exposed to the risk of fluctuation in interest rates. These interest rates could rise significantly in the future, increasing Exasol's interest expense associated with these obligations and reducing cash flow available for capital expenditures, which could have an adverse effect on its results of operation and financial condition and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.4. Risks related to Legal, Regulatory and Tax Issues

6.4.1. Risks related to privacy, information security and data protection laws and regulations

Exasol is in possession of customer data that are used in various areas, including operation of its products, sales, marketing and support. In addition, Exasol gets into contact with customer data on a regular basis when performing support services and in connection with cloud and support services regularly acts as order data processor (*Auftragsdatenverarbeiter)*. These customer data may also include personal data. Data protection laws and regulations apply to the collection, use, retention, security, disclosure, transfer and other processing of personal data, with which Exasol must comply.

Government and legislative bodies and agencies have adopted, are considering adopting or may adopt laws and regulations regarding the collection, use, storage and disclosure of personal information obtained from consumers and individuals, such as compliance with the General Data Protection Regulation (the ***GDPR***). The GDPR has resulted in a number of changes to current EU data protection legislation, for example, increased fines (up to 4% of annual worldwide turnover or EUR 20 million, whichever is greater), and direct liability for breach by data processors. The GDPR may limit or inhibit Exasol’s ability to operate or expand its business or may increase its potential liability as customers seek broader indemnification for potential data breaches. Exasol implemented numerous measures to ensure compliance with the requirements under the GDPR. The ongoing implementation of these activities may result in Exasol incurring material additional costs. Enforcement activities against Exasol or its customers could require it to indemnify its customers and could lead to fines and civil liability. Even the perception of privacy concerns, whether or not valid, may materially harm Exasol’s reputation and inhibit adoption of its database by current and future customers.

Further, the application, interpretation, and enforcement of European, US federal and state and foreign laws and regulations Exasol is subject to are often uncertain and may be interpreted and applied inconsistently from country to country and inconsistently with its current policies and practices. Exasol’s failure to comply with applicable laws and regulations, or to protect data from breaches or misuse by employees, could result in investigations by law enforcement agencies and enforcement action against it. Such enforcement could include fines, public censure, claims for damages by employees, customers and other affected individuals, materially damage to Exasol’s reputation and loss of goodwill (both in relation to existing customers and prospective customers) and in some circumstances the imprisonment of company officials. The above risks may have a highly adverse effect on Exasol's business operations and financial condition. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.4.2. Risk of infringement of third party intellectual property

From time to time, third-parties may claim that one or more of Exasol’s products, services, systems or databases infringe their intellectual property rights. In particular, competitors holding patents or patent applications in the field of technology in which Exasol operates and carries out research and development activities to further develop its products may raise such claims. Exasol will analyse and take action in response to such claims on a case-by-case basis. Any dispute or litigation regarding trademarks or other intellectual property right could be costly and time-consuming due to the complexity of Exasol’s technology and the uncertainty of intellectual property litigation. In addition, such actions could divert Exasol's management and key personnel from its business operations. A claim of intellectual property infringement could force Exasol to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could be subject it to significant damages or to an injunction against development and the sale of subscriptions to its products or services. Exasol’s intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license in response to a claim of intellectual property infringement. Although Exasol’s policy is to obtain licenses or other rights where necessary, it cannot provide assurance that it has obtained all required licenses or rights. If a successful claim of intellectual property infringement is brought against it, Exasol may be unable to develop non-infringing products or services, or to obtain licenses on a timely and cost-effective basis, which may have a material adverse effect on its business and results of operation. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.4.3. Risk of lack of protection of Exasol's intellectual property and proprietary rights

The success of Exasol's business depends on its ability to protect and enforce its trademarks, trade secrets and other intellectual property rights. Exasol does not currently possess any patents in respect of its intellectual property. Exasol attempts to protect its intellectual property under trademark laws, and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. Exasol generally enters into confidentiality or license agreements with employees, consultants, vendors, partners and customers, as applicable, and generally limits access to and distribution of its proprietary information. However, Exasol cannot guarantee that it has entered into such agreements with all parties who may have or have had access to confidential information or that the agreements entered into will not be breached.

Additionally, some of Exasol's trade secrets and know-how are stored electronically and thus are highly portable and unauthorized parties may not be deterred or prevented from misuse, theft or misappropriation of information Exasol regards as proprietary, which could cause it to lose any competitive advantage resulting from such know-how or trade secrets. In addition, it cannot be excluded that third parties successfully reverse engineer Exasol’s products. If any of Exasol’s competitors were to gain access to any of its trade secrets, know-how or other technologies not protected by a patent, or otherwise independently develop this information, Exasol may lose its competitive position, resulting in a loss of customers and users.

Moreover, policing unauthorized use of Exasol's intellectual property may be difficult, expensive and time-consuming. To the extent Exasol expands its international activities, its exposure to unauthorized copying and use of Exasol's products, or certain aspects of its products, and proprietary information may increase. Further, competitors, foreign governments, foreign government-backed actors, criminals, or other third parties may gain unauthorized access to Exasol's proprietary information and technology.

If Exasol is unable to protect its proprietary rights, it may be at a competitive disadvantage compared to others who need not incur the additional expense, time, and effort required to create the innovative database that has enabled it to be successful to date. All above risks may have a material adverse effect on Exasol's business, financial position and business prospects which could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.4.4. The registration of the trademarks "Exasol" and/or "Exacloud" could be refused in some countries, in particular the United States

Exasol's application for the registration of its trademarks "Exasol" and "Exacloud" was provisionally refused in the United States. The provisional refusal of protection in the US was based on objections regarding the list of goods and services. A compromise was proposed by the local auditors in the US and accepted by the Company. Thereafter, the trademark application was published on 3 March 2020, followed by the objection period for third parties which is expected to expire on or about 1 June 2020. In case objections are raised within this period the registration of one or both trademarks for Exasol could be delayed, limited in scope or finally refused. If the registration of one or both trademarks in the United States is finally refused or in case the list of goods and services is restriced beyond the compromise reached Exasol Group could be wholly or partially prohibited to use the trademarks "Exasol" and/or "Exacloud" within the territory of the United States. This would make it considerably more difficult and costly to market and sell Exasol's products in the United States and could impair its international expansion and growth strategy, which could have a material adverse effect on its business operations and growth and financial condition. This could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.4.5. Exasol's risk management and internal control may not prevent or detect violations of law and group-wide processes

Exasol has implemented a risk management process and system. However, this system may turn out to be insufficient or Exasol's subsidiaries sales agents, employees, directors and officers may not in any case effectively follow the process. Exasol's inability to maintain effective internal controls could affect its ability to prevent data breaches and misappropriation of information by its employees.

Further, the Company's management team has limited experience in managing a publicly-traded company and complying with the increasingly complex laws pertaining to public companies. The Company's management team might not successfully or efficiently manage its transition to being a public company that is subject to significant regulatory oversight and reporting obligations under applicable laws and regulations. These new obligations will require substantial attention from the Company's senior management and could divert their attention away from the day-to-day management of its business. Exasol' accounting, controlling, legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies that would result in significant additional expenditures or expose it to legal, regulatory or civil costs or penalties.

All above risks could materially adversely affect Exasol's reputation, business operations and financial condition and could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.4.6. Risk of reduction or loss of Exasol's tax losses carried forward

As of 31 December 2019, the tax losses carried forward of Exasol AG in Germany amounted to approx. EUR 20.7 million for corporation tax and EUR 18.7 million for trade tax. The Company, Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH are currently subject to tax audits. Subject of the tax audit is in each case corporate income tax, trade tax and turnover tax for the years 2013 to 2016. In February 2020 the tax audit office submitted its findings. According to own calculations of the Company the current findings of the tax audit office would lead to a reduction of the tax losses carried forward in the amount of approx. EUR 1 million for both corporation tax and trade tax. A reduction of the tax losses carried forward would result in higher tax payments in the future.

Further, under German tax law, the tax losses generally have an unlimited carry forward period. If, however, as a result of share transfers or capital increases, more than 50% of the shares of the Company are transferred to a purchaser, parties related to this purchaser, or a group of purchasers with common interests, both the current tax losses carried forward at the level of the Company and any tax losses arising in the period up to the share transfer could be lost in full which would also lead to higher tax payments in future years and could have a material adverse effect on Exasol's results of operations and financial condition. All risks above could also cause the price of the Company's Shares to fall, in which case investors could lose some or all of their investment.

6.5. Risks related to the Shares of the Company and the Offering

6.5.1. The share price and trading volume of the Company's shares could fluctuate significantly

Following the listing of the Company’s shares and any future offerings, the trading volume and share price of the Company’s shares may fluctuate significantly. The Company’s share price will be affected primarily by the supply and demand for its shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company’s control. In particular, fluctuations may be influenced by low trading volumes which may occur during the first months as long as a certain number of the Company's Shares are locked. Further factors include, among others, fluctuations in actual or projected results of operations or earnings, failure to meet securities analysts’ earnings expectations, changes in trading volumes in the Company’s shares, changes in general economic conditions, including fluctuations in foreign currencies, regulatory changes, changes in the market valuations of similar companies, changes in investor and analyst perception of the Company or Exasol’s industry and other factors.

Further, stock markets and the market for technology companies such as Exasol in particular, have experienced price and volume fluctuations in the past that have affected and continue to affect the market prices of equity securities of many companies. As a result, stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. Therefore, general market conditions and fluctuations of share prices, particularly of shares of other technology and IT companies, could lead to pressure on the Company’s share price, even though there may not be a reason for this based on the Company’s business performance or earnings prospects. As a result of the realisation of any or all of these events the Company’s share price or the trading volume in its shares could decline, which could have a highly adverse effect on the investment of the potential investor and investors could lose part or all of their investment in the Company’s shares.

6.5.2. Risk of significant shareholders of the Company using their influence at general shareholders' meetings

The major shareholder Dr Klingler will continue to hold indirectly and together with a related person at least 26.6% of the Company's shares even following the issuance of all New Shares, sale of all Sale Shares and full exercise of the Greenshoe Option. Therefore, he may be able to exert influence (through factual majority in general shareholders' meetings) and cast his votes to take or block resolutions or implement measures that are in his own interest and/or not supported by or in the best interest of the Company or other shareholders or block resolutions or measures that are opposed to his interests but would be in the best interest of the Company or other shareholders. Such voting behaviour or the exertion of influence in any other way may have a significant adverse effect on the price of the Company's shares and thus materially adversely affect the Company's ability to raise further capital. The concentration of share ownership could also delay or prevent certain major corporate actions, including a change of control in the Company, and could thus deter mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors. All above risks could have a material adverse effect on the investment of the potential investor.

6.5.3. Dividend risk

The Company's general shareholders' meeting will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of the Company at the time. The Company's ability to pay dividends depends upon the availability of distributable profit and, among other things, its results of operations, financing and investment requirements. Certain reserves must be established by law and must be deducted when calculating the distributable profit. In any case a balance sheet profit (*Bilanzgewinn*) is required for the distribution of profits.

As of 31 December 2018 the cumulated balance sheet loss (*Bilanzverlust*) of the Company (including net income for the financial year 2018) amounted to approx. EUR 21.55 million. Therefore, the Company did not pay dividends for the financial year 2018 and will not pay dividends for the financial year 2019, in which the cumulated balance sheet loss (*Bilanzverlust*) of the Company (including net income for the financial year 2019) amounted to approx. EUR 27.98 million. Since the balance sheet loss must be offset by corresponding profits before a distributable balance sheet profit may be generated the Company may also not be able to pay dividends in the near future.

In addition, Exasol's future debt financing arrangements may contain covenants which restrict the Company's ability to pay dividends under certain circumstances in the future. Given that the Company's shares are, and any dividends to be paid in respect of them will be, denominated in euro, an investment in the Company's shares by an investor whose principal currency is not the euro in addition exposes the investor to foreign currency exchange rate risk. Both, the foreign currency exchange rate risk on dividend payments, if any, and the lack of dividend payments could have a material adverse effect on the profitability of the investment of the potential investor. A lack of dividend payments could also cause the price of the Company's shares to fall, in which case investors could lose some or all of their investment.

6.5.4. Risk of future sales of Shares by the Company's shareholders, or the perception that such sales occur

Sales of a substantial number of the Company's Shares in the public market following the listing of the Company's Shares, or the perception that such sales might occur, could depress the market price of the Company's Shares and could impair the Company's ability to raise capital through the sale of additional equity securities. After a complete placement of all Sale Shares and Greenshoe Shares approx. in total 10.0 million Shares owned by shareholders of the Company and treasury shares will be subject to a lock-up period of 12 months and approx. 2.2 million Shares are subject to a lock-up period of 6 months following the listing of the Company's Shares. With around 5.7 million Shares a significant part of these locked Shares are held by only one shareholder (subject to a lock-up period of 12 months). These shareholders, whose interests may not be aligned with those of other shareholders of the Company, may dispose of their Shares in the Company following the expiration of the lock-up period. If this happens, or if one or more of the Company's other major shareholders effect a sale or sales of a substantial number of the Company's Shares, or if the market believes that such sales might take place, this could have a material adverse effect on the share price of the Company's Shares and the investors could lose some or all of their investment.

6.5.5. Risk that a liquid trading market for the Company's Shares may not develop

Prior to the listing of the Company's Shares, there has been no public trading in the Shares of the Company. Following the listing of the Company's Shares an active, liquid trading market for the Shares may not develop or be sustained and the share liquidity may not be as high as expected. Furthermore, even after implementation of the Offering in full approx. 12.3 million Shares of the Company (including the treasury shares) are subject to various lock-up agreements for up to 12 months which may have a negative impact on the liquidity of the Company's Shares. Low liquidity of the Company's Shares may also entail high volatility regarding the share price.

Investors may not be able to sell their shares quickly or at the market price if there is no active trading in the Company's Shares. If an active market for the shares does not develop after the listing, the liquidity and market price of the shares may be materially adversely affected and the investors could lose some or all of their investments.

6.5.6. The Offer Price for the Offer Shares exceeds the net asset value per share

The Offer Price per share to be paid by investors for the Offer Shares offered under the Offering exceeds the net asset value attributable to one Offer Share.

Assuming that all 5,100,000 New Shares and all 285,000 own Sale Shares are sold during the Offering for an Offer Price of EUR 9.50 per share (mid-point value of the Price Range) the Company receives net issuing proceeds in the amount of EUR 48.06 million (after deducting the total costs of the Company relating to the Listing and the Offering of approximately EUR 3.10 million). The net asset value of the Company would be approximately EUR 36.00 million, representing EUR 1.67 per share of the Company (calculated on 21,621,076 issued Shares excluding treasury shares).

For investors this would result in a dilution of EUR 7.83, corresponding to 82.47%, per Share, as the adjusted net asset value of the Company attributable to the shareholders of the Company per Share falls short of the assumed Offer Price (mid-point value of the Price Range) by this amount or this percentage. There is no guarantee that the difference will be covered by assets not included in the balance sheet, which could have a material adverse effect on the investment of the potential investor.

6.5.7. Risk of dilution of existing shareholdings in the Company

The Company may require further capital in the future to finance its business operations and planned growth or to fulfil regulatory requirements. Therefore, the Company may seek to raise capital through offerings of debt securities (possibly including convertible debt securities) or additional equity securities. Even after full implementation of the Capital Increase the Company will still have an Authorized Capital 2019/I in the amount of EUR 3,458,935 that can be used excluding shareholders' subscription rights under certain conditions, *inter alia* for issuing shares in fulfilment of stock options or stock awards granted to employees or members of the Management Board. Further, the Company is authorized to issue convertible debt securities granting conversion and/or option rights for up to 6,200,000 new shares. The authorization provides for the usual exclusions of shareholders' subscription rights. An issuance of additional equity securities or securities with a right to convert into equity, such as convertible bonds or warrant bonds could adversely affect the market price of the Company's shares and would dilute the economic and voting interests of existing shareholders if made without granting subscription rights to existing shareholders. Even if existing shareholders were granted subscription rights, investors in certain jurisdictions may not be able to acquire and/or exercise any subscription rights due to local laws.

Because the timing and nature of any future offering would depend on market conditions, it is not possible to predict or estimate the amount, timing or nature of future offerings. Therefore, the shareholders of the Company bear the risk that such future offerings could reduce the market price of the Company's shares and potentially dilute their shareholdings in the Company. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company or the exercise of stock options by Exasol's employees in the context of possible future stock option programmes may also dilute the economic value and voting rights of existing shareholders' shares. Furthermore, a proposal to the general shareholders' meeting to take any of the above mentioned measures, with dilutive effects on the existing shareholdings, or any other announcement thereof, could have a material adverse effect on the market price of the Company's shares, in which case investors could lose some or all of their investments.

6.5.8. Risk of non-appliance of important investor protection provisions of the organized market

As the inclusion of the Company's shares to trading on the SCALE segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange does not correspond to a listing on an organized market within the meaning of Section 2 para. 11 of the German Securities Trading Act (*Wertpapierhandelsgesetz* - ***WpHG***), important investor protection provisions for organized markets do not apply. In particular, the following investor protection provisions do not apply:

- Obligation to submit voting rights notifications pursuant to Sections 33 et seq. WpHG,
- Mandatory offer in the event of a change of control pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* - ***WpÜG***).
- Acquisition offer to shareholders pursuant to Section 39 para. 2 German Stock Exchange Act (*Börsengesetz* - ***BörsG***) in the event of delisting.

As a consequence, investors may obtain less information on the Company's shareholder structure and may not have a statutory exit option with minimum pricing rules in case of a change in control compare to an issuer which has its shares listen on the regulated market. Further, a delisting from the open market may be effected at any time without a resolution of the general shareholders' meeting of the Company or an offer of compensation to the shareholders. The above risks may have a material adverse effect on the future share price, in which case investors could lose some or all of their investment.

6.5.9. The Offering may not take place

The Underwriting Agreement provides that the Sole Bookrunner may terminate the Underwriting Agreement under certain circumstances. In case of an early termination of the Underwriting Agreement, the Offering will not take place. Investors may not be able to reclaim paid commissions and/or costs incurred in connection with the subscription as this will determined solely on the basis of the legal relationship between the investor and the institution to which the investor submitted its offer to purchase. Further, allotments to investors which have already been made would be invalid and the investors would have no claim for delivery of the Shares. If an investor has engaged in short sales, the investor bears the risk of not being able to deliver the Shares in performance of its obligations thereunder. The above risk may have a material adverse effect on the investment of potential investors.

6.5.10. Risks regarding shareholders of the Company in jurisdictions outside Germany

In the case of an increase in the Company's issued share capital, the Company's existing shareholders are generally entitled to subscribe to the new shares issued unless such subscription rights are specifically excluded. Shareholders outside Germany may not be able to exercise their subscription rights unless the Company decides to comply with applicable local laws and regulations. The Company cannot assure any shareholders outside Germany that steps will be taken to enable them to exercise their subscription rights, or to permit them to receive any proceeds or other amounts relating to their subscription rights, which could have a material adverse effect on the investment of the respective investor.

7. Reasons for the Offering and Use of Proceeds

7.1. Reasons for the Offering, Proceeds and Costs of the Offering and Use of Proceeds

7.1.1. Reasons for the Offering

The Company seeks to grow its business in the data analytics industry. The Company believes that through the listing of its Shares in the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) it will increase its own visibility, enhance its external profile and improve its brand recognition. Further, the Company assumes that the listing will improve its access to capital markets and diversify its shareholder base, all of which will allow it to grow as a business.

7.1.2. Proceeds and Costs of the Offering

The Company will receive the proceeds (after deduction of the Sole Bookrunner's commissions and other costs to be borne by the Company) resulting from the sale of the New Shares and the sale of 285,000 own Sale Shares. The Company will not receive any proceeds from the sale of the remaining Base Sale Shares and a potential sale of the Additional Sale Shares and the Greenshoe Shares, which will instead be received by the Selling Shareholders (except the Company), to the extent they exercise the Upsize Option, the Upsize Option Shareholders and the Greenshoe Selling Shareholders, respectively.

The amount of the gross proceeds from the Offering to the Company, the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders and the Greenshoe Selling Shareholders as well as the overall costs related to the Offering, including the Sole Bookrunner's commissions depend on the Offer Price and the number of shares that will be placed in the Offering.

Assuming full placement of 5,100,000 New Shares and of 285,000 own Sale Shares at an Offer Price of EUR 9.50, which is the mid-point of the Price Range set for the Offering of the Offer Shares, the total gross proceeds to the Company from the sale of the New Shares will be EUR 48.45 million and from the sale of the 285,000 own Sale Shares EUR 2.71 million. The Company will bear the costs related to the placement of the New Shares and the 285,000 own Sale Shares as well as the listing of its entire share capital. Based on the aforementioned assumptions, the Company estimates that the commissions payable to the Sole Bookrunner and attributable to the Company (including a possible discretionary fee) together with the other costs attributable to the New Shares and the 285,000 own Sale Shares as well as the listing of the entire share capital will amount to approximately EUR 3.10 million. Accordingly, assuming an Offer Price at the mid-point of the Price Range, the net proceeds from the Offering to the Company (after deducting the Sole Bookrunner's commissions and other costs attributable to the Company) will amount to approximately EUR 45.52 million for the New Shares (the ***Net Proceeds***) and approximately EUR 2.54 million for the 285,000 own Sale Shares (the ***Company's Sale Share Net Proceeds***).

The Selling Shareholders (except the Company) will receive the proceeds from the sale of the remaining Sale Shares and the Greenshoe Selling Shareholders will receive the proceeds from the potential sale of the Greenshoe Shares (in each case after deduction of the commissions and other costs to be borne by the Selling Shareholders (except the Company) and the Greenshoe Selling Shareholders, respectively, with respect to the Sale Shares and the Greenshoe Shares).

Assuming full placement of the remaining 1,750,000 Base Sale Shares and full exercise of the Upsize Option and the Greenshoe Option (which, in turn, would require full placement of the 1,070,250 Greenshoe Shares) at an Offer Price of EUR 9.50, which is the mid-point of the Price Range for the Offering of the Offer Shares, the total gross proceeds from the Offering will be EUR 16.63 million to the Selling Shareholders (except the Company), EUR 9.50 million to the Upsize Option Shareholders and EUR 10.17 million to the Greenshoe Selling Shareholders. The Selling Shareholders (except the Company), the Upsize Option Shareholders and the Greenshoe Selling Shareholders will bear the costs related to the placement of the Sale Shares (except the 285,000 own Sale Shares) and the Greenshoe Shares. Based on the aforementioned assumptions, the Company estimates, that the commissions payable to the Sole Bookrunner and attributable to the Selling Shareholders (except the Company) (including a possible discretionary fee) together with the other costs attributable to the Sale Shares (except the 285,000 own Sale Shares) will amount to approximately EUR 0.75 million, that the commissions payable to the Sole Bookrunner and attributable to the Upsize Option Shareholders (including a possible discretionary fee) together with the other costs attributable to the Additional Sale Shares will amount to approximately EUR 0.48 million and that the commissions payable to the Sole Bookrunner and attributable to the Greenshoe Selling Shareholders (including a possible discretionary fee) together with the other costs attributable to the Greenshoe Shares will amount to approximately EUR 0.46 million. Accordingly, assuming an Offer Price at the mid-point of the Price Range, the net proceeds from the Offering to the Selling Shareholders (except the Company) (after deduction the Sole Bookrunner's commission and other costs attributable to the Selling Shareholders except the Company) will amount to approximately EUR 15.88 million, the net proceeds from the Offering to the Upsize Option Shareholders (after deducting the Sole Bookrunner's commissions and other costs attributable to the Upsize Option Shareholders) will amount to approximately EUR 9.02 million and the net proceeds from the Offering to the Greenshoe Selling Shareholders (after deducting the Sole Bookrunner's commissions and other costs attributable to the Greenshoe Selling Shareholders) will amount to approximately EUR 9.71 million.

If the Offer Price is set at the lower or higher end of the Price Range, the net proceeds to the Company, the Selling Shareholders and the Greenshoe Selling Shareholders will be lower or higher than as shown above (*i.e.* at the mid-point of the Price Range).

7.1.3. Use of the Issue Proceeds

Assuming Net Proceeds from the Offering to the Company resulting from the sale of the New Shares of EUR 45.52 million (*i.e.* based on the Offer Price at the mid-point of the Price Range and full placement of the New Shares), the Company currently intends to use the Net Proceeds as follows:

(i) Enhance sales force, distribution and marketing power including hiring new sales representatives and building the business partner networks to further Exasol's international expansion, in particular in the DACH (Germany, Austria, Switzerland) region, the UK and the United States, and to raise brand awareness (approximately 70% of the Net Proceeds).

(ii) Further Research & Development initiatives including to further enhance our cloud offering capabilities (approximately 10% of the Net Proceeds).

(iii) Pursuing selected mergers and acquisitions in order to diversify and complement our growth strategy (approximately 10% of the Net Proceeds).

(iv) Repayment of shareholder loans and payments in relation to stock appreciation rights to key employees (approximately 10% of the Net Proceeds).

(v) the remainder of the Net Proceeds from the Offering, if any, for general corporate purposes.

Except for the repayment of the shareholder loans and the payments in relation to stock appreciation rights to key employees, the Company has not yet made a final decision on the specific use of the Net Proceeds from the Offering and the actual proportion of the Net Proceeds that will be used for the individual measures. Such decision will depend on a number of factors, which cannot be conclusively determined at present.

In case the Net Proceeds from the Offering are not sufficient to fulfil all purposes, the Net Proceeds will be used with the following priority: first for repayment of the shareholder loans and payments relating to the stock appreciation rights to key employees. With the remaining Net Proceeds the purposes under (i) to (iii) will be served on a pro rate basis. In the event, that the Net Proceeds are not sufficient to meet the repayment claims from the shareholder loans and the employees' claims from the stock appreciation rights in full, funds from the operating cash flow and existing credit lines would be used or, if necessary, new bank loans be taken out.

The Company's Sale Share Net Proceeds of EUR 2.54 million (*i.e.* based on the Offer Price at the mid-point of the Price Range and full placement of the 285,000 own Sale Shares), will exclusively be used to fulfil the first instalment of the SAR Compensation claims of the members of the Management Board. As the 285,000 own Sale Shares were contributed to the Company by certain shareholders without consideration the Company is not expected to bear any economic burden resulting from the first instalment of the SAR Compensation (but see "*6.3.8 Risks related to the fulfilment of Exasol's payment obligations with respect to the SAR Compensation claims of the Management Board members")*.

7.2. Interests of Persons participating in the Offering and the Listing of the Shares

In connection with the Offering and the inclusion of the Company's Shares to trading on the Scale segment of the open market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), Hauck & Aufhäuser has entered into a contractual relationship with the Company, the Selling Shareholders and the Greenshoe Selling Shareholders. Hauck & Aufhäuser has been appointed by the Company, the Selling Shareholders and the Greenshoe Selling Shareholders as Sole Bookrunner. The Sole Bookrunner is advising the Company, the Selling Shareholders and the Greenshoe Selling Shareholders on the Offering and is coordinating the structuring and execution of the Offering. In addition, Hauck & Aufhäuser has been appointed to act as the designated sponsor for the Shares. The Sole Bookrunner will receive a commission for his activities upon successful completion of the Offering. The Sole Bookrunner therefore has an interest that as many Offer Shares as possible are placed at the highest price possible.

A Luxembourg umbrella fund of the Sole Bookrunner managed by a subsidiary of the Sole Bookrunner holds shares in the Company. The Sole Bookrunner therefore has an interest that the Listing occurs and the Company's shares can be traded on a Stock Exchange.

Furthermore, in connection with the Offering, the Sole Bookrunner and any of his respective affiliates, acting as investors for their own account, may acquire Shares in the Offering and in that capacity may retain, purchase or sell for its own account such Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering. In addition, the Sole Bookrunner or his affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Sole Bookrunner (or his affiliates) may from time to time acquire, hold or dispose of Shares. The Sole Bookrunner does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so or as disclosed in the Prospectus.

The Sole Bookrunner or his affiliates have, and may from time to time in the future continue to have, business relations with the Company, the Selling Shareholders or the Greenshoe Selling Shareholder or may perform services for the Company, the Selling Shareholders or the Greenshoe Selling Shareholder in the ordinary course of business.

Furthermore, the members of the Management Board of the Company and the Company have entered into service agreements under which the Management Board's members are entitled to receive a special compensation, so-called 'stock appreciation rights', in the event of an initial public offering of the shares of the Company. In addition, as part of their compensation package the members of the Management Board are entitled to stock awards for Shares of the Company for each financial year of the term of their service agreements beginning with a listing of the Company (see *"10.1.4 Remuneration of the Management Board members"*). Therefore, the members of the Management Board have their own interests in a successful completion of the Offering.

All members of the Management Board and some members of the Supervisory Board and/or related parties to the members of the Management Board or Supervisory Board, respectively, hold shares in the Company. Therefore, they have an interest that the Listing occurs and the Company's shares can be traded on a Stock Exchange. Further, members of the Supervisory Board and/or their related parties are Greenshoe Selling Shareholders and, therefore, have their own interest in a successful completion of the Offering.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering.

8. Information on the Shares

8.1. General Information on the Shares

8.1.1. Type, class and form

All shares of the Company including the Offer Shares are ordinary registered shares (*Namensaktien*) with no-par value (*Stückaktien*), each such share with a notional amount in the Company's issued share capital of EUR 1.00 (all shares of the Company outstanding from time to time, together the ***Shares*** and each share a ***Share***). All Shares are denominated in Euro and have been issued in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*).

8.1.2. ISIN, WKN and Ticker symbol

International Securities Identification Number (ISIN)	DE000A0LR9G9
German Securities Code (Wertpapier-Kenn-Nummer) (WKN)	A0LR9G
Ticker Symbol	EXL

8.1.3. Creation of the New Shares

On 13 May 2020 the Management Board, with approval of the Supervisory Board on 13 May 2020, resolved to increase the Company's share capital against cash contributions using the Authorized Capital 2019/I from EUR 17,117,870.00 by up to EUR 5,100,000 to up to EUR 22,217,870 by issuing up to 5,100,000 new ordinary registered shares with no-par value (*Stückaktien*) and a notional amount in the Company's share capital of EUR 1.00 per share and with full dividend rights as from 1 January 2019 (the ***New Shares***). Shareholders' subscription rights were excluded. The New Shares are issued for an issue price of EUR 1.00 per Share. Hauck & Aufhäuser has exclusively been admitted to subscribe for the New Shares and offer the New Shares to investors against payment of the Offer Price.

8.1.4. Form and Representation of Shares

The Company's current share capital in the amount of EUR 17,117,870.00 is represented by one or more global share certificates without dividend coupons, which are held with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany (***Clearstream***). An additional global share certificate without a dividend coupon will be issued for the New Shares resulting from the Capital Increase and will likewise be deposited with Clearstream on or around 26 May 2020.

The Management Board, in accordance with Section 8 para (2) of the Company's current Articles of Association, determines the form and content of share certificates and any interim certificates, dividend coupons and renewal coupons. Section 8 para. 2 of the Company's Articles of Association stipulates that the shareholders' right to the issuance of share certificates representing their respective Shares shall be excluded. The relevant certificates are signed by the Management Board.

8.2. Information about the Offeror

The Offer Shares will be offered by the Issuer as well as Hauck & Aufhäuser. Hauck & Aufhäuser will further act as Sole Global Coordinator and Sole Bookrunner in the Offering. Hauck & Aufhäuser is a stock corporation with its registered seat in Kaiserstraße 24, 60311 Frankfurt, Germany, incorporated and registered in and operating under the Laws of Germany (LEI 529900OOZP78CYPYF471). Hauck & Aufhäuser is also acting as Capital Market Partner for the Company's application for the inclusion to trading on the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

8.3. Rights attached to the Offer Shares

8.3.1. Voting Rights

Each Offer Share carries one vote at the general shareholders' meeting of the Company. There are no restrictions regarding the voting rights other than the restrictions provided by law in certain cases and there are no different classes of voting rights.

8.3.2. Dividend Rights, Right to share in the Liquidation Proceeds and Subscription Rights

The Offer Shares carry full dividend rights from 1 January 2019. The annual general shareholders' meeting of the Company, which is held once annually within the first eight months of the respective financial year, decides on the appropriation of any net retained profit and thus on the full or partial disbursement thereof to shareholders. The Management Board and the Supervisory Board are required to submit a recommendation on the appropriation of profit, but the annual general shareholders' meeting of the Company is not bound by such recommendation. Individual shareholders have no claim to the disbursement of dividends unless the annual general shareholders' meeting of the Company has passed a resolution to that effect.

By law, claims to the payment of dividends generally become time-barred after three years, after which time the Company may refuse to make any disbursement. Once the global share certificates representing the Shares are deposited with Clearstream, Clearstream will automatically credit any dividends accruing on the Shares in the future to the securities accounts held at the respective custodian banks. Domestic custodian banks are under a corresponding obligation to their customers. Shareholders whose Shares are held in custodial accounts at foreign institutions should inform themselves about the procedure applicable at such institutions. Forfeited dividend claims shall accrue to the Company.

In the event the Company is dissolved, any liquidation proceeds would be distributed to the shareholders in proportion to their interest in the Company's share capital pursuant to Section 271 of the German Stock Corporation Act (*Aktiengesetz*).

Shareholders have the right to subscribe for new shares issued pursuant to any future capital increases in a ratio proportionate to the respective interest they hold in the Company's current share capital (subscription right). No subscription rights exist in the case of contingent capital increases; otherwise, subscription rights may be excluded by resolution of the annual general shareholders' meeting of the Company or, if the annual general shareholders' meeting of the Company so authorizes, by resolution of the Management Board, subject to the consent of the Supervisory Board.

8.4. Transferability

The Offer Shares are freely transferable in accordance with the legal provisions applicable to registered shares (Section 68 AktG). With the exception of the restrictions set out in section "*9.7 Market Protection Agreements (Lock-up)"*, there are no restrictions on the transferability or lock-ups affecting the Shares of the Company.

8.5. Takeover and Squeeze-out

8.5.1. Information on Takeovers

The Shares of the Company shall be included in the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange and will not be admitted to trading on a regulated market (*regulierter Markt*). Therefore, the Company is not subject to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*).

Further, no public takeover bids by third parties in respect of the Company's equity have occurred so far.

8.5.2. Exclusion of Minority Shareholders

In accordance with the provisions of Section 327a et seqq. AktG on the so-called “squeeze-out”, the general shareholders' meeting of a stock corporation may, upon request of a shareholder who holds 95% of the share capital (the ***Principal Shareholder***), resolve to transfer the shares of the remaining minority shareholders to the Principal Shareholder against payment of an adequate cash compensation. The amount of the cash compensation to be granted to the minority shareholders must reflect “the circumstances of the company” at the time the resolution is adopted. The amount of the cash compensation is based on the full value of the company, which is generally determined using the capitalised earnings method.

In case of a merger under the German Transformation Act (*Umwandlungsgesetz*), the aforementioned provisions of Sections 327a et seqq.AktG also apply if the main shareholder only holds 90% of the stock corporation's share capital and the Company is merged into the main shareholder. For this purpose, the general shareholders' meeting of the transferring stock corporation has to pass a resolution pursuant to Section 327a AktG within a period of three months as of the conclusion of the merger agreement. In consequence of this so-called squeeze-out under the German Transformation Act, minority shareholders are excluded from the transferring stock corporation in the course of the merger.

Pursuant to Section 319 para. 1 AktG, the Company's shareholders' meeting may vote for an integration (*Eingliederung*) into another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the share of the Company. The former shareholders of the Company are entitled to an aequate compensation, which generally must be provided in the form of shares in the parent company. In such case, Section 305 para. 3 sentence 1 AktG stipulates that shares must be issued based on the exchange ratio which would be considered reasonable in case of a merger between the two companies (so called 'merger value relation' (*Verschmelzungswertrelation*)). Fractional amounts may be paid out in cash.

8.5.3. Notification and Reporting Obligations regarding Shares held in the Company

The Shares of the Company shall be included in the Scale segement of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange. The Company is therefore not subject to the provisions on notification obligations pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz*) and the WpÜG. However, in accordance with the provisions of the German Stock Corporation Act an enterprise must inform the Company if its share of the capital of the Company exceeds or falls below 25% and/or 50%. The Company has to publish this communication immediately in the Company's journals. The German Stock Corporation Act contains various provisions according to which voting rights or capital holdings of shares, which are the property of third parties shall be attributed to other companies.

8.6. Warning on Tax Consequences

The tax legislation of an investor's Member State and of Germany as Exasol's country of incorporation may have an impact on the income received from the Offer Shares. it is therefore recommended that investors consult their own tax advisors regarding the tax implications of acquiring, holding or transferring Shares of the Company. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual investors.

9. The Offering

9.1. Subject Matter of the Offering

The Offering (as defined below) consists of a total of 9,205,250 ordinary registered shares of the Company with no-par value (*Stückaktien*), each such share with a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights as of 1 January 2019, comprising:

- 5,100,000 newly issued ordinary registered shares with no-par value (*Stückaktien*) from a capital increase against cash contributions from the Authorized Capital 2019/I resolved by the Management Board on 13 May 2020 with approval of the Supervisory Board on 13 May 2020 (the ***Capital Increase***) (the ***New Share*****s**); and

- 2,035,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of the Selling Shareholders (the ***Base Sale Shares***); thereof

  - 285,000 own Sale Shares from the holdings of Exasol AG, and

  - 1,750,000 Sale Shares from the holdings of KfW; and

- 1,000,000 existing ordinary registered shares with no-par value (*Stückaktien*) from the holdings of SYNTOS Beteiligungs GmbH, Petra Tschunke and Mountain Technology AG (the ***Additional Sale Shares***, and together with the Base Sale Shares, the ***Sale Shares***) subject to the exercise of an upsize option upon decision of the Upsize Option Shareholders on the date of pricing based on market demand (the ***Upsize Option***); and

- 1,070,250 existing ordinary registered shares with no-par value (*Stückaktie*n) from the holdings of the Greenshoe Selling Shareholders in connection with a possible over-allotment by the Sole Bookrunner (the ***Greenshoe Shares***, together with the New Shares and the Sale Shares, the ***Offer Shares***).

The Offering consists of an initial public offering of the Offer Shares in Germany (the ***Public Offering***) and private placements in certain jurisdictions outside Germany except for the US, Canada, Japan and Australia which are not subject of this Prospectus (the ***Private Placement***, and together with the Public Offering, the ***Offering***). The Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the US. The Company and the Sole Bookrunner have not defined specific tranches of Offer Shares for either the Public Offering or the Private Placement.

The Issuer as well as Hauck & Aufhäuser are offering to sell the Offer Shares (see *"8.2 Information about the Offeror")*. Hauck & Aufhäuser is also acting as Sole Global Coordinator, as Sole Bookrunner and as Underwriter (see also "*7.2 Interests of Persons participating in the Offering and the Listing of the Shares"* and *"9.8 Underwriting"*).

The share capital of the Company amounts to EUR 17,117,870.00 as of the date of the Prospectus and is divided into 17,117,870 ordinary registered shares with no-par value (*Stückaktien*) (all shares of the Company outstanding from time to time, together the ***Shares*** and each share a ***Share***). Each Share currently represents a notional interest of EUR 1.00 in the share capital of the Company.

On 13 May 2020 the Management Board of the Company, with the approval of the Supervisory Board on 13 May 2020, resolved on the Capital Increase in order to create the New Shares from the Authorized Capital 2019/I. Registration of the implementation of the Capital Increase is expected on 22 May 2020. As of the start of trading, the Company´s total share capital will amount to up to EUR 22,217,870 divided into up to 22,217,870 Shares assuming full implementation of the Capital Increase regarding the New Shares. All existing Shares are fully paid-up and all New Shares will be fully paid-up upon issuance.

In the Underwriting Agreement (as defined below) the Selling Shareholders and, to the extent they exercise the Upsize Option, the Upsize Option Shareholders, have agreed to sell the Sale Shares.

Solely to cover over-allotments, if any, in connection with the Offering, the Greenshoe Selling Shareholders have granted the Sole Bookrunner the option to purchase up to 1,070,250 Shares from the holdings of the Greenshoe Selling Shareholders in the Company (the ***Greenshoe Shares***) at the Offer Price, exercisable for 30 calendar days following the date on which the Shares commence trading on the Scale Segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the ***Greenshoe Option***) (see *"9.4 Stabilization, Over-Allotment and Greenshoe Option"*).

The Offer Shares carry the same rights as all other Shares and confer no additional rights or benefits. All Shares, including the Offer Shares, are subject to and governed by German stock corporation law.

The Company will receive the proceeds from the sale of the New Shares and the own Sale Shares (after deduction of commissions and expenses to be borne by the Company) and the Selling

Shareholders (except the Company), to the extent they exercise the Upsize Option, the Upsize Option Shareholders and the Greenshoe Selling Shareholders will receive the proceeds from the sale of the Sale Shares (except the own Sale Shares), from a potential sale of the Additional Sales Shares if and to the extent the Upsize Option is exercised and from a potential sale of the Greenshoe Shares if and to the extent the Greenshoe Option is exercised (in each case after deduction of commissions and expenses to be borne by the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders and the Greenshoe Selling Shareholders).

In the last twelve months prior to the approval of the Prospectus a private person related to a member of the Supervisory Board of the Company purchased 6,000 Shares of the Company for a price of EUR 5.50 per Share. The Company is not aware that major shareholders or members of its Management Board or Supervisory Board intend to purchase any Offer Shares in the Offering or that any person intends to subscribe for more than 5% of the Offering.

9.2. Price Range, Offer Period, Offer Price and Number of Offer Shares

9.2.1. Price Range

The price range within which purchase orders may be placed is EUR 8.50 to EUR 10.50 per Offer Share (the ***Price Range***).

9.2.2. Offer Period

The offer period during which purchase orders for the Offer Shares may be submitted will commence on 15 May 2020 and is expected to end on 20 May 2020 (i) at 12:00 noon Central European Summer Time (***CEST***) for retail investors (natural persons) and (ii) at 16:00 CEST for institutional investors (the ***Offer Period***).

Institutional investors may place purchase orders directly with the Sole Bookrunner during the Offer Period.

Private investors can make purchase orders in the Public Offering on the day after the beginning of the Public Offering through the special subscription functionality (*Zeichnungsfunktionalität)* DirectPlace of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the ***Subscription Functionality***).

Investors who want to submit purchase orders for the Offer Shares through the Subscription Functionality must submit them to their respective depositary bank between 19 May 2020 and 20 May 2020, at 12:00 (CEST). This requires that the depositary bank (i) has been admitted as a trading participant to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) or has access to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) via an accredited trading participant; (ii) is connected to XETRA; and (iii) is authorized and able to use the Subscription Functionality according to the Terms and Conditions of Deutsche Börse AG for use of the Subscription Functionality (such depositary bank, a ***Trading Participant***).

The Trading Participant issues purchase orders for the investor at the investor's request through the Subscription Functionality. Purchase orders can have price limits (in 10 cent increments) within the price range. In its function as Order Book Manager, Steubing AG, Goethestr. 29, 60313 Frankfurt, Germany, records the Subscription Functionality (the ***Order Book Manager***) of all subscription requests of the Trading Participant in a central order book and will, at the end of the subscription period and after instruction by the Sole Bookrunner, accept these in full or in part or not accept these as part of the allocation in consideration of any limits. By accepting of the purchase orders, the Order Book Manager concludes a sale and purchase agreement for the respective number of shares. It is subject to the condition precedent that the shares have not been created on the value date or have not been provided.

Purchase orders have to be made for at least 50 Offer Shares and the selected offer price has to be provided in full euro amounts and in 10 euro cent increments for each Offer Share. Multiple purchase orders by investors are allowed. Purchase orders can be freely revoked until the end of the Offer Period, unless otherwise agreed individually. It is possible to withdraw from a properly made purchase order until the end of the Offer Period. Usually, even in the event of a partial or full withdrawal or reduction in a purchase order, it will not be necessary to reimburse overpaid amounts, since the allocation of the Offer Shares shall take place after the end of the Offer Period by way of payment against delivery and investors therefore do not pay the offer price in advance. If, in individual cases, an investor already paid the amounts and then withdraws its purchase order in full or in part, or reduces its purchase order, the paid amount will be reimbursed to the investor immediately to the bank account used for the deposit.

9.2.3. Changes of the Terms of the Offering

The Company, the Selling Shareholders and the Greenshoe Selling Shareholders reserve the right, after consultation with the Sole Bookrunner, to reduce or increase the number of Offer Shares, to reduce or increase the upper and lower limits of the Price Range and/or to extend or shorten the Offer Period. If the number of Offer Shares, the Price Range and/or the Offer Period (collectively, the ***Offering Terms***) is or are, as the case may be, changed, the change will be announced on the website of the Company (www.exasol.com) and be published by means of electronic media (such as Reuters or Bloomberg). To the extent required under the Prospectus Regulation, a supplement to the Prospectus will be submitted to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) and published after being approved by the BaFin on the website of the Company (www.exasol.com).

Any changes to the Offering Terms will also be published by way of ad hoc announcement, if required under Article 17 of the Market Abuse Regulation. Investors will not be notified individually. Changes to the Offering Terms will not invalidate purchase orders which have already been submitted. Pursuant to Article 23 of the Prospectus Regulation, investors who have submitted a purchase order before a supplement is published are granted a period of two working days from publication of the supplement to withdraw their orders, provided that the significant new factor, the material mistake or the material inaccuracy that makes a supplement necessary occurred prior to the final expiration of the Offering.

The Company is entitled to end the Offer at any time if certain circumstances develop, and also still after the end of the Offer Period up to 16:00 CEST on the settlement date (which is expected to be on or around 26 May 2020).

The underwriting agreement between the Company, the Selling Shareholders, the Greenshoe Selling Shareholders and the Sole Bookrunner entered into on 13 May 2020 (the ***Underwriting Agreement***) stipulates that the Sole Bookrunner may terminate the Underwriting Agreement under certain circumstances, even after the Offer Shares have been allotted and listed and up to delivery and settlement of the Offer Shares. If the Underwriting Agreement is terminated, the Offering will not take place. In this case, any allotments already made to investors will be invalidated, and investors will have no claim for delivery. Claims with respect to security commissions already paid and costs incurred by an investor in connection with the purchase order will be governed solely by the legal relationship between the investor and the institution to which the investor submitted its purchase order. Investors engaging in short selling, bear the risk of being unable to satisfy their delivery obligations.

9.2.4. Determination of the Offer Price and the final Number of Offer Shares to be placed

After expiry of the Offer Period, expected to take place on or around 20 May 2020, the final number of the Offer Shares and the offer price (the ***Offer Price***) will be determined by the Company, the Selling

Shareholders and the Greenshoe Selling Shareholders after consultation with the Sole Bookrunner using the order book prepared during the bookbuilding process. In addition, each of the Upsize Option Shareholders will, after consultation with the Sole Bookrunnner, decide whether and to which extent to exercise the Upsize Option in its free discretion, taking into account the market demand and using the order book prepared during the bookbuilding process. The determination of the Offer Price and the determination of the final number of Offer Shares to be placed will be based on the purchase orders submitted by investors during the Offer Period which will be collected in the order book. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. Consideration will also be given to whether the Offer Price and the number of Offer Shares to be placed allow for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Offer Shares noted in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting Offer Shares at a particular price but also to the composition of the group of shareholders in the Company that would result at a given price (so-called investor mix) and expected investor behaviour. After the Offer Price and the final number of Offer Shares to be placed are determined, the Offer Shares will be allotted to investors (see *"9.2.5 Allotment Criteria*").

Neither the Company, nor the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders and the Greenshoe Selling Shareholders, nor the Sole Bookrunner will charge investors any expenses or taxes incurred in connection with the Offering. The subscription costs of the investors depend exclusively on the conditions of the custodian bank. Claims regarding any subscription fees already paid and costs incurred by an investor in connection with the purchase order depend exclusively on the legal relationship between the investor and the financial institution to which the investor submitted its purchase order.

9.2.5. Allotment Criteria

The allotment of shares to private investors and institutional investors will be decided by the Company in consultation with the Sole Bookrunner. There are no agreements in place among the Company and the Sole Bookrunner as to the allotment procedure. The ultimate decision on the allotment of Offer Shares to investors rests with the Company.

Allotments to institutional investors will be made on the basis of the quality of the individual institutional investors (including with respect to expected holding strategy and order size), as well as other important allotment criteria to be determined by the Company after consultation with the Sole Bookrunner. With respect to the purchase orders via the Subscription Functionality, the Company and the Sole Bookrunner will adhere to the "Principles for the Allotment of Share Issues to Private Investors" (*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*) (*i.e.* drawing lots, allotment according to order size, allotment by means of a specific quote or allotment after the point in time of receipt of the purchase offer or selection according to other objective criteria or a combination thereof)) issued on 7 June 2000 by the German Commission of Stock Exchange Experts (*Börsensachverständigenkommission*) of the German Federal Ministry of Finance (*Bundesministerium der Finanzen*). "Qualified investors" (*qualifizierte Anleger*) under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) in connection with Regulation (EU) 2017/1129, as well as "professional clients" (*professionelle Kunden*) and "suitable counterparties" (*geeignete Gegenparteien*) under the German Securities Trading Act (*Wertpapierhandelsgesetz*) are not viewed as "private investors" within the meaning of the allotment rules. The details of the allotment procedure with respect to purchase orders via the Subscription Functionality will be stipulated after expiration of the Offer Period and published in accordance with the above-mentioned allotment principles.

9.2.6. Publication of the Offer Price and final Number of Offer Shares

The final number of the Offer Shares and the Offer Price (*i.e.*, the results of the Offering) are expected to be set on 20 May 2020. After the Offer Price has been set, the Offer Shares will be allotted to investors on the basis of the purchase orders then available. The final number of the Offer Shares and the Offer Price (that is, the result of the Offering) are expected to be published on or around 20 May 2020 by way of an ad hoc announcement and on the Company´s website (www.exasol.com). Investors which have submitted purchase orders through the Sole Bookrunner are expected to be able to inquire as to the Offer Price and the number of Offer Shares allotted to them with the Sole Bookrunner no earlier than the bank business day following the determination of the Offer Price.

9.2.7. Delivery and Settlement

The Offer Shares allotted are expected to be delivered in book-entry form against payment of the Offer Price and of the customary securities commissions payable to the depositary banks on 26 May 2020. The Sole Bookrunner, after consultation with the Company, the Selling Shareholders and the Greenshoe Selling Shareholders, reserves the right not to accept investors` orders, either in whole or in part. In the event that the capital increase regarding the New Shares is not entered in the commercial register by noon CEST on 22 May 2020, the up to 5,100,000 Shares to be delivered will be made available to the Sole Bookrunner under a securities loan from an existing shareholder.

9.3. Stock Exchange Inclusion and Commencement of Trading

The Company expects to apply for inclusion of its 17,117,870 existing Shares and the up to 5,100,000 New Shares to trading on the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Hauck & Aufhäuser is acting as Capital Market Partner. The decision on the inclusion of these up to 22,217,870 Shares of the Company to trading is expected to be made by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on or about 22 May 2020. Trading of these Shares of the Company on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on or about 25 May 2020.

9.4. Stabilization, Over-Allotment and Greenshoe Option

In connection with the placement of the Offer Shares and to the extent permitted by Article 5(4) of the Market Abuse Regulation in conjunction with the regulatory technical standards issued, the Sole Bookrunner, or persons acting on its behalf will act as stabilization manager (in such capacity the ***Stabilization Manager***) and may make over-allotments and take stabilization measures to support the market price of the shares of the Company and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, no assurance can be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time and without notice. Such measures may be taken from the date the shares of the Company are listed on the Scale segment of the open market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than 30 calendar days after this date (the ***Stabilization Period***). These stabilization measures may result in a market price for the Company's shares that is higher than it would otherwise have been. Moreover, the market price may be, temporarily, at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the New Shares and the Sale Shares, be allotted the Greenshoe Shares in the Company from the holdings of the Greenshoe Selling Shareholders granted by the Greenshoe Selling Shareholders to the Sole Bookrunner under a securities loan (*Wertpapierdarlehen*).

The Greenshoe Shares will not exceed 15% of the total number of the New Shares and Sale Shares.

In order to cover a potential over-allotment, the Greenshoe Selling Shareholders granted the Sole Bookrunner an option to purchase up to 1,070,250 Greenshoe Shares in the Company from the Greenshoe Selling Shareholders at the Offer Price (less agreed commissions) in order to satisfy the retransfer obligation of the Sole Bookrunner under the securities loan (the ***Greenshoe Option***) as shown in the table '*Shareholders' Structure*' (see "*12.1.1 Overview of the Shareholders' Structure")*. The Greenshoe Option shall be exercisable until the 30th day after the inclusion of the Company's shares to trading on the Scale segment of the open market (*Freiverkehr)* of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). If the Greenshoe Option is exercised in whole or in part, the securities loan will be redeemed using the proceeds originating from the purchase of the Greenshoe Shares by the Sole Bookrunner.

Public announcements regarding stabilisation measures will be made (i) by the end of the seventh daily market session following the date any stabilisation measures were taken and (ii) within one week after the end of the Stabilization Period. Within one week following the end of the Stabilization Period, an announcement will be published via various media distributed across the entire European Economic Area (*Medienbündel*) as to whether or not any stabilization measures were taken, when price stabilization started and finished, the date on which the last stabilization measure was taken, the price range within which stabilization measures were taken (for each date on which a stabilization measure was taken) and the trading venues on which stabilization measures were carried out. Any over-allotments and exercise of the Greenshoe Option, the date hereof and the number and type of the shares concerned will also be published promptly in the manner previously stated.

9.5. Expected Timetable for the Offering

The anticipated timetable for the Offering, which is subject to extension or shortening, is as follows:

14 May 2020	Approval of the Prospectus by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (**"BaFin"**)
14 May 2020	Publication of the Prospectus on the Company's website at www.exasol.com in the "Investor Relations" section
14 May 2020	Application for inclusion to trading for the 17,117,870 existing shares of the Company and the up to 5,100,000 New Shares with the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
15 May 2020	Commencement of the Offer Period (for institutional investors)
19 May 2020	Commencement of the Offer Period (for investors, in particular retail investors, which want to submit purchase orders offers via the Subscription Functionality)
20 May 2020	Close of the Offer Period for purchase orders via the Subscription Functionality at 12:00 noon (CEST) and for institutional investors at 16:00 (CEST) Resolution of the Management Board on the number of New Shares to be issued with consent of the Supervisory Board Determination of the Offer Price; publication of the Offer Price and number of the New Shares placed pursuant to Article 17 MAR via ad hoc announcement and on the Company's website (www.exasol.com)

21 May 2020	The Offer Shares are allotted to investors (Trade Date).
22 May 2020	Registration of the implementation of the capital increase regarding the New Shares with the commercial register of the Company In the event that the capital increase regarding the New Shares is not entered in the commercial register by noon CEST on 22 May 2020, the up to 5,100,000 Shares to be delivered will be made available to the Sole Bookrunner under a securities loan from an existing shareholder.
25 May 2020	Inclusion of the 17,117,870 existing shares of the Company and the up to 5,100,000 New Shares to trading on the Scale segment of the open market (*Freiverkehr*), of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
26 May 2020	Book-entry delivery of the Offer Shares against payment of the Offer Price
24 June 2020	End of Stabilization Period (or before)

This Prospectus and any supplements will be published on the Company's website at www.exasol.com.

9.6. Designated Sponsor, Paying Agent and Settlement Agent

Hauck & Aufhäuser has agreed to assume the function of a designated sponsor of the Shares traded on the Frankfurt Stock Exchange for a period of at least two years and is entitled to designate an appropriately admitted third party to perform its functions. Pursuant to the designated sponsor agreement entered into by Hauck & Aufhäuser and the Company, Hauck & Aufhäuser will, among other things, place limited buy and sell orders for Shares in the electronic trading system of the Frankfurt Stock Exchange during regular trading hours against customary remuneration. This is intended to achieve greater liquidity in the market for the Shares. Among other things, the designated sponsor shall be available at all times during trading hours and, upon receipt of a request for a quote, shall promptly supply quotes and enter into transactions on such basis. In addition, the designated sponsor shall provide quotes throughout the auction. The designated sponsor shall receive a customary fee from the Company for its services.

KAS BANK N.V. German Branch, Mainzer Landstraße 51, 60329 Frankfurt, Germany, has been appointed as paying and registration agent at which any and all measures required with respect to the Shares may be effected free of charge.

9.7. Market Protection Agreements (Lock-up)

9.7.1. Commitment of the Company

In the Underwriting Agreement the Company has agreed that it will not, for a period of six months following the first day of trading of the Company’s shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (which is currently expected to take place on 25 May 2020), undertake nor agree to undertake and for a consecutive period of further six months will not undertake nor agree to undertake without prior written consent of the Sole Bookrunner any of the following actions:

(i) announce or effect any capital increase from authorized capital;

(ii) propose a capital increase to its general shareholders' meeting;

(iii) announce, effect or propose to the general shareholders' meeting any issuance of securities with conversion rights into or option rights with respect to shares of the Company except for the issue of stock options under an employee stock option program;

(iv) announce or effect a sale of treasury shares; or

(v) enter into or announce a transaction or perform any action economically similar to those described in (i) through (iv).

9.7.2. Commitment of the Members of the Management Board and Supervisory Board and of certain founding Shareholders

The members of the Management Board and the members of the Supervisory Board, their related parties, respectively, and certain founding and major shareholders holding a total of 14,132,222 Shares have agreed for a period of twelve months following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) without prior written consent of the Sole Bookrunner, not to offer, sell, market or announce to sell, directly or indirectly, any shares of the Company on the stock exchange or off-exchange or to enter into any transaction or perform any action economically similar to those described before.

However, up to 3,035,000 of these locked Shares may be sold as Sale Shares and up to 1,070,250 of these locked Shares may be sold as Greenshoe Shares depending on the exercise of the Greenshoe Option (see "*9.4 Stabilization, Over-Allotment and Greenshoe Option"*).

9.7.3. Commitment of Further Shareholders

Further shareholders holding a total of 2,183,316 Shares have agreed for a period of six months following the first day of trading of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) without prior written consent of the Sole Bookrunner, not to offer, sell, market or announce to sell, directly or indirectly, any shares of the Company on the stock-exchange or off-exchange or to enter into or announce any transaction or perform any action economically similar to those described before. Separately, further shareholders holding a total of 80,947 Shares have agreed for a period of six months following the Offering without prior written consent of the Company, not to offer, sell, market or announce to sell, directly or indirectly, any shares of the Company on the stock-exchange or off-exchange or to enter into or announce any transaction or perform any action economically similar to those described before.

9.8. Underwriting

9.8.1. Underwriting Agreement

On 13 May 2020, the Company, the Selling Shareholders, the Upsize Option Shareholders, the Greenshoe Selling Shareholders and Hauck & Aufhäuser in its capacity as Underwriter (the ***Underwriter)*** entered into the Underwriting Agreement relating to the offer and sale of the Offer Shares in connection with the Offering.

In the terms of the Underwriting Agreement, the Underwriter agreed to subscribe for and purchase the Offer Shares with a view to offering them to investors in this Offering.

The obligations of the Underwriter are subject to various conditions, including (i) the absence of a material event, e.g., a material adverse change in or affecting the business, prospects, management, consolidated financial position, shareholders' equity, or results of operations of the Group, or a suspension or material limitation in trading in securities generally on the Frankfurt Stock Exchange, (ii) receipt of customary certificates and legal opinions, and (iii) the inclusion of the Shares to trading on the Scale segment of the open market of the Frankfurt Stock Exchange.

The Underwriter has provided and may in the future provide services to the Group, the Selling Shareholders, the Upsize Option Shareholders and the Greenshoe Selling Shareholders in the ordinary course of business and may extend credit to and have regular business dealings with the Group, the Selling Shareholders and the Greenshoe Selling Shareholders in its capacity as financial institution. For a more detailed description of the interests of the Underwriter in the *Offering,* see *"7.2 Interests of Persons participating in the Offering and the Listing of the Shares".*

9.8.2. Commission

The Underwriter will offer the Offer Shares at the Offer Price. The Company, the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders, and the Greenshoe Selling Shareholders will pay the Underwriter a base commission of in total 3.5% of the aggregate gross Offering proceeds, each in proportion to the gross Offering proceeds they will receive. In addition to this base commission, the Company, the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders, and the Greenshoe Selling Shareholders may pay the Underwriter an additional incentive fee of up to 1.0% of the aggregate gross Offering proceeds, each in proportion to the gross Offering proceeds they will receive, and the Company and to the extent they exercise the Upsize Option, the Upsize Option Shareholders may pay the Underwriter a further incentive fee of 0.5% of the aggregate gross Offering proceeds it will receive.

The total underwriting commission is expected to amount to approximately EUR 4.24 million (assuming (i) gross Offering proceeds of EUR 51.16 million to the Company, (ii) gross Offering proceeds to the Selling Shareholders (except the Company), to the extent they exercise the Upsize Option, the Upsize Option Shareholders and the Greenshoe Selling Shareholders of EUR 36.29 million calculated based on an Offer Price at the mid-point of the Price Range and 2,750,000 Sale Shares sold by the Selling Shareholders (except the Company) and, to the extent they exercise the Upsize Option, the Upsize Option Shareholders and 1,070,250 Greenshoe Shares sold by the Greenshoe Selling Shareholders, (iii) payment in full of the incentive fee of up to 1.0% of the aggregate gross Offering proceeds and (iv) payment in full of the incentive fee of 0.5% of the aggregate gross Offering proceeds received by the Company and the Upsize Option Shareholders). The decision to pay any incentive fee and its amount are within the sole discretion of the Company, the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders, and the Greenshoe Selling Shareholders, and such decision must be made and such distribution is to be made on the closing day of the Offering. The Company, the Selling Shareholders, to the extent they exercise the Upsize Option, the Upsize Option Shareholders, and the Greenshoe Selling Shareholders also agreed to reimburse the Underwriter for certain expenses incurred by it in connection with the Offering.

9.8.3. Termination and Indemnification

The Underwriting Agreement provides that the Underwriter may, under certain circumstances, terminate the Underwriting Agreement, including after the Shares have been allotd and listed, up to delivery and settlement. Grounds for termination include in particular:

- a material adverse change in the economic position or the business of the Company or the Exasol Group; and
- an event that has material adverse effects on the financial markets.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations. The Company, the Selling Shareholders and the Greenshoe Selling Shareholders agreed in the Underwriting Agreement to indemnify the Underwriter against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

9.9. Dilution

The rights of the Company's shareholders to subscribe for the New Shares from the Capital Increase are excluded. Therefore, the shareholder's percentage ownership in the Company's share capital and its voting rights (excluding treasury shares) will be diluted by 24.91% assuming that all New Shares will be issued.

The net asset value of the Company (calculated as total assets minus total non-current liabilities minus total current liabilities, *i.e.* equalling the total equity) in its Group balance sheet based on the Audited Consolidated Financial Statements as of 31 December 2019 amounted to EUR -20.50 million. Taking into account the implementation of the Capital Increase in Kind resolved by the general shareholders' meeting on 5 December 2019 (*see "12.4.2 Development of the Share Capital")* the net asset value of the Company is increased by EUR 8.44 million (total contribution amount of EUR 8.49 million minus related costs in the amount of EUR 0.05 million) to EUR -12.06 million. Thus, the net asset value per share of the Company corresponds to EUR -0.74, calculated on 16,236,076 issued Shares of the Company excluding treasury shares (reflecting the implementation of the Capital Increase in Kind).

Based on the foregoing and assuming a full implementation of the Capital Increase by issuing 5,100,000 New Shares against cash contributions and the sale of all 285,000 own Sale Shares, as well as assuming an Offer Price of EUR 9.50 per New Share and Sale Share (mid-point value of the Price Range), the Company receives gross issuing proceeds in the amount of EUR 51.16 million and after deducting the total costs of the Company relating to the Listing and the Offering of approximately EUR 3.10 million, the net asset value of the Company would be approximately EUR 36.00 million, representing EUR 1.67 per share of the Company (calculated on 21,621,076 issued Shares excluding treasury shares).

For existing shareholders of the Company this would correspond to a value enhancement of EUR 2.41 per Share.

For investors this would result in a dilution of EUR 7.83, corresponding to 82.47%, per Share, as the adjusted net asset value of the Company attributable to the shareholders of the Company per Share falls short of the assumed Offer Price (mid-point value of the Price Range) by this amount or this percentage.

10. Management and Supervisory Board

10.1. Management Board

10.1.1. General information about the Management Board of Exasol AG

The Management Board consists of one or more persons. The Supervisory Board determines the number of the members of the Management Board. The Management Board may consist of one member even if the share capital exceeds EUR 3 million. The Supervisory Board appoints and dismisses members of the Management Board. The Supervisory Board may appoint a chairman or speaker of the Management Board and may further appoint one member as deputy chairman or deputy speaker of the Management Board.

If only one member of the Management Board is appointed, she/he acts individually on behalf of the Company. If several members of the Management Board are appointed, the company is represented either by two members of the Management Board or by one board member jointly with an authorized officer (Prokurist). The Supervisory Board can determine that one or more members of the Management Board are authorized to represent the Company solely. Further, the Supervisory Board may determine that members of the Management Board are authorized to enter into transaction on behalf of the Company and, at the same time, as representative of a third person in general or in individual cases.

The Supervisory Board may issue, amend or cancel rules of procedure for the Management Board.

Resolutions of the Management Board are passed by simple majority of the votes cast. In case of a tie, the vote of the chairman, if any, or of the deputy chairman, in case the chairman is prevented from voting, shall be decisive.

10.1.2. Current members of the Management Board of Exasol AG

The Management Board of the Company currently consists of three members:

Aaron Auld

- Chief Executive Officer -

Aaron Auld studied law at the Ludwig-Maximilian-University in Munich and graduated with a law degree. Further, he has a post-grad degree (MBL) from the University of St. Gallen, Switzerland. Before joining Exasol AG Aaron Auld was general counsel at primion Technology AG and was responsible for coordinating the IPO at the Frankfurt Stock Exchange. Before that he was active as general counsel for the global software business at Océ, now a Canon company. At Exasol AG he initially worked as Chief Financial and Chief Operating Officer. In 2013 he was appointed as member of the Management Board and Chief Executive Officer of the Company. Aaron Auld is also managing director of the subsidiaries Exasol Vertriebsholding GmbH, Exasol Europa Vertriebs GmbH, Exasol Cloud Computing GmbH, Exasol UK Limited and Exasol, Inc. (see "*4.4.2 Subsidiaries").*

Aaron Auld was last reappointed as a member of the Management Board and Chief Executive Officer (*Vorstandsvorsitzender*) of Exasol AG by resolution of the Supervisory Board on 6 December 2019 for a term of office from 7 December 2019 until 30 November 2024. Aaron Auld is authorized to represent the Company solely and is exempt from the restrictions of Sec. 181 2nd alternative AktG. Within the Management Board Aaron Auld is mainly responsible for strategy, internationalisation, sales and marketing.

Mathias Golombek

- Chief Technology Officer -

Mathias Golombek studied computer science with focus on databases, distributed systems and development processes at the University of Applied Sciences in Wuerzburg. At Exasol he initially was Head of Research. In 2014 he was appointd as member of the Management Board and Chief Technology Officer. Mathias Golombek is also managing director of the subsidiaries Exasol Vertriebsholding GmbH, Exasol Europa Vertriebs GmbH, Exasol Big Data Technologies GmbH and Exasol Cloud Computing GmbH (see "*4.4.2 Subsidiaries*").

Mathias Golombek was last reappointed as a member of the Management Board of Exasol AG by resolution of the Supervisory Board on 6 December 2019 for a term of office from 7 December 2019 until 31 December 2022. Mathias Golombek is authorized to represent the Company solely and is exempt from the restrictions of Sec. 181 2nd alternative AktG. Within the Management Board Mathias Golombek is mainly responsible for technology and process optimisation.

Michael Konrad

- Chief Financial Officer -

Michael Konrad studied management of technology at the University of Applied Sciences in Karlsruhe. Over a period of more than 25 years, he held various management positions including the position as Chief Executive Officer and Chief Financial Officer of the publicly-listed software company asknet AG. In 2015 Michael Konrad joined Exasol and was appointed to the Management Board. He is also managing director of the subsidiaries Exasol Vertriebsholding GmbH, Exasol Europa Vertriebs GmbH, Exasol Big Data Technologies GmbH, Exasol Cloud Computing GmbH and Exasol UK Limited.

Michael Konrad was last reappointed as member of the Management Board of Exasol AG by resolution of the Supervisory Board on 6 December 2019 for a term of office from 7 December 2019 until 31 December 2022. He is authorized to represent the Company solely and is exempt from the restrictions of Sec. 181 2nd alternative AktG. Within the Management Board Michael Konrad is mainly responsible for operations, finance, legal and human resources.

The members of the Management Board can be contacted under the business address of the Company, Neumeyerstraße 22-26, 90411 Nuremberg, Germany.

10.1.3. Shareholdings of the Management Board Members

As of the date of the Prospectus, the members of the Management Board and related parties to the members of the Management Board hold shares in the Company as follows:

Management Board member	**Number of Shares**
Aaron Auld	19,690
Mathias and Andrea Golombek[1)]	23,143
Katja Edith Konrad[2)]	10,000

[1)] Andrea Golombek is the spouse of Mathias Golombek.

[2)] Katja Edith Konrad is the spouse of Michael Konrad.

10.1.4. Remuneration of the Management Board members

Each member of the Management Board is entitled to a fixed and variable remuneration, further cash benefits such as allowances for health and pension insurance and reimbursement of out-of-pocket expenses (including travel expenses), non-cash benefits such as a company car, stock appreciation rights, stock awards and a one-off special compensation in case of a change-of-control (in the meaning of Section 29 para. 2 WpÜG).

Further, the Company bears the cost of a directors' and officers' liability insurance policy for the members of the Management Board.

Fixed and variable remuneration

In the financial year ended 31 December 2019 the Management Board received a fixed remuneration in the total amount of kEUR 748, a variable remuneration in the total amount of kEUR 995, further cash benefits in the total amount of kEUR 41 and non-cash benefits in the total amount of kEUR 33.

Stock appreciation rights

In the event of an exit, defined as (i) sale of the majority of the shares of the Company, (ii) a listing of the Company or a subsidiary on a stock exchange, or (iii) a merger of the Company into a third company, during their term of office or in the first two years after their appointment to the Management Board has ended, the three members of the Management Board are entitled to a special compensation under law of obligations in the form of so-called 'stock appreciation rights' (the ***SAR Compensation***). In case of a stock exchange listing the SAR Compensation will be paid in two instalments and is calculated as follows: (i) the first instalment of the cumulated SAR Compensation for all three members of the Management Board amounts to in total EUR 2.4 million between the market capitalisation of the Company at the initial listing (calculated on basis of a number of 15,654,000 shares) and EUR 15 million. The first instalment of the SAR Compensation becomes due within four weeks after the initial listing. (ii) the second instalment of the cumulated SAR Compensation for all three members of the Management Board corresponds to in total 6.23% of the difference between the average market capitalisation of the Company in the calendar months 22 to 24 following a stock exchange listing (calculated on basis of the Xetra closing prices and a number of 15,654,000 shares) and EUR 15 million; the amount thus calculated is reduced by the amount of the first instalment. The second instalment of the SAR Compensation becomes due for payment on the last banking day of month 27 following the listing.

To compensate the Company for the costs which will incur in connection with the SAR Compensation in connection with the listing of the Company's Shares in the Scale segment of the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) certain shareholders of the Company transferred in total 881,794 Shares of the Company to the Company by way of a contribution without consideration (see *"12.2.1 Relationships between the Company and its shareholders"*). 285,000 of these own Shares will be sold as part of the Offering and the respective Offering proceeds are intended to be used to pay the first instalment of the SAR Compensation to the Members of the Management Board when due.

Stock Awards

In addition, the members of the Management Board are entitled to receive stock awards for Shares of the Company for each financial year of the term of their service agreements, beginning with a listing of the Company on a stock exchange. The number of Shares per financial year depends on the development of the stock exchange price of the Company's Shares in relation to the TecDax in the respective financial year and the closing price of the Company's Shares at the end of the respective financial year. The claim for Shares arises in three instalments, each on 31 December, commencing on 31 December of the reference financial year, provided that the service agreement of the member of the Management Board still exists. The claims may at the discretion of the member of the Management Board be fulfilled by delivery of shares or cash payments.

Pensions or similar benefits

Neither the Company nor any of its subsidiaries have formed reserves to provide pensions, retirement or similar benefits to the members of the Management Board.

10.2. Supervisory Board

10.2.1. General information about the Supervisory Board of Exasol AG

The Supervisory Board of the Company consists of four members. The members of the Supervisory Board are elected by the general sharholders' meeting for a term no longer until the end of the shareholders' meeting which resolves on the formal approval for the fourth financial year after the beginning of their term of office. The financial year in which the election is held does not count. The successor of a withdrawn member is elected for the remaining term of office of the withdrawn member. The general shareholders' meeting may elect a substitute member for each member of the Supervisory Board, that becomes a regular member if the respective member of the Supervisory Board ceases to be a member of the Supervisory Board.

Each member of the Supervisory Board may resign from his position to the end of a calendar month observing a notice period of one month. The resignation declaration has to be addressed to the chairman of the Supervisory Board or to the Management board. The right to resign for cause remains unaffected.

The Supervisory Board elects a chairman and one deputy from among its members. The election shall take place in a meeting, which requires no special convocation, after the general shareholders' meeting, that elected the members of the Supervisory Board. If the chairman or his deputy resigns from office before expiration of his term of office, the Supervisory Board shall, without undue delay, conduct a new election for the remainder of the period of office of the member stepping down.

The Supervisory Board determines its own rules of procedure with simple majority.

The Supervisory Board meets at least once every half calendar year. Meetings of the Supervisory Board shall be convened in writing by the chairman or, if he is prevented from so doing, by his deputy, with a notice period of 14 days. In urgent cases, the convening period may be shortened appropriately and convened verbally, by telephone or by any other means of telecommunication (fax, e-mail). The chairman shall determine the place of the meeting. The items on the agenda shall be communicated and proposed resolutions submitted together with the invitation.

As a rule, Supervisory Board resolutions are passed at meetings. They can also be passed without convening a meeting and voting can also take place in writing or by telephone - this also includes voting in writing by means of telecommunications such as email or fax - if the Chairman of the Supervisory Board orders this and no member of the Supervisory Board objects to this procedure within a reasonable period of time determined by the chairman of the Supervisory Board. The Supervisory Board shall have quorum if no less than half of its members, but at least three members, participate in the adoption of the resolution. Supervisory Board resolutions shall require a simple majority of votes cast, unless another majority is mandatorily required by law or the articles of association. In case of a tie, the vote of the chairman of the Supervisory Board shall be decisive.

10.2.2. Current members of the Supervisory Board of Exasol AG

The Supervisory Board of Exasol AG consists of the following four members:

Prof. Jochen Tschunke

- Chairman of the Supervisory Board -

Prof. Jochen Tschunke was born in 1945. After graduating as an industrial engineer, Prof. Tschunke worked for ten years in various management positions at Texas Instruments. In 1983 Prof. Tschunke was co-founder of Computer 2000 AG. As CEO, he managed Computer 2000 AG until 1998 and was responsible for the IPO of Computer 2000 AG in 1988. Since 1999 Prof. Tschunke has been active as business angel and venture investor and was also chairman and member of various supervisory boards during the past 20 years. In addition, he advises and accompanies companies through to capital market maturity and possible listings on a stock exchange. Prof. Tschunke currently works selfemployed in the areas of corporate investments, real estate development and asset management.

Prof Tschunke has been a member of the Supervisory Board of Exasol AG since its incorporation in August 2006.

Gerhard Rumpff

- Deputy Chairman -

Mr. Gerhard Rumpff was born in 1948. Mr. Rumpff started his business career 1971 as a system salesman at Olivetti Deutschland GmbH and Olivetti South Africa. From 1976 to 1982, Mr. Rumpff worked first as Account Manager Banking, then as Major Banking Accounts Sales Manager and finally as Australian Manager Building Societes at N.C.R. Australia Pty Ltd. and from September 1982 to September 1989 as Branch Manager, Marketing Director Financial Systems and Director Marketing Australia at Unysis (Burroughs). From October 1989 to March 1997, Mr. Rumpff was with Lotus Development Pty Ltd. (Australia/New Zealand) and Lotus Development GmbH (Central and Eastern Europe) as Sales Manager and Managing Director before being General Manager of IBM Limited for Australia and New Zealand from March 1997 to January 1998. From January 1998 to May 2001, Mr. Rumpff was Managing Director of 3COM ANZ (Australia/New Zealand) and from October 2001 to April 2005, Enterprise Director of Microsoft Australia Pty Ltd. From November 2005 to February 2008, Mr. Rumpff was CEO of asknet AG before joining Exasol AG as CEO, a position he held until 2010. From May 2011 to January 2018, Mr. Rumpff was a member of the Advisory Board of Bott GmbH & Co. KG. Currently, Mr. Rumpff is an independent business consultant.

Mr. Rumpff has been a member of the Supervisory Board of Exasol AG since April 2011.

Dr. Knud Klingler

- Member -

Dr. Knud Klingler was born in Timisoara (Romania) in 1941. From 1961 to 1969, Dr. Klingler studied business administration at the University for World Trade in Vienna (Austria) with a stay abroad in Leningrad (Russia) from 1968 to 1969. From 1968 to 1969, Dr. Klingler was also employed at Mannesmann Export GmbH before working as a financial and management consultant in Nuremberg from 1970 to 1980. From 1981 to 2000, Dr. Klingler was operationally involved in setting up and managing DELU Deutsche Luftgleitkissen GmbH and SCHUKRA GmbH. Since 1995, Dr. Klingler has also been active as an investor in start-ups such as Biogate GmbH, Bioepiderm GmbH, Plux Optix GmbH, ARA Authentic GmbH, Xilicate GmbH, Marwian GmbH, 310Klinik GmbH and MVZ Radiologie und Nuklearmedizin GmbH. He also owns real estate companies and has been member of advisory and supervisory boards of several companies, for example, he was the chairman of the supervisory board at Bio-Gate AG until 2017.

Dr. Klingler has been a member of the Supervisory Board of Exasol AG since September 2008.

Karl Hopfner

- Member -

Mr. Karl Hopfner was born in Munich in 1952. Mr. Hopfner first completed an apprenticeship as an industrial clerk and then studied business administration part-time with a degree in business administration. After his training, Mr. Hopfner was initially commercial manager of a large German construction company before being promoted to head of accounting and human resources. From 1983 to 2002, Mr. Hopfner was full-time managing director of FC Bayern München e.V. and from 2002 to December 2012 member of the management board of FC Bayern München AG, for the last two years in the position as deputy chairman. In December 2012 Mr. Hopfner becamemember of the supervisory board of FC Bayern München AG where he was elected chairman in September 2014 until he left the supervisory board in February 2017. Mr Hopfner was also President of FC Bayern Munich e.V., board member for the Deutsche Fussball Liga and German football Association and held roles in UEFA committees. Currently, he is honorary managing director of a non-profit company and member of the advisory board of Schmidbauer GmbH & Co. KG.

Mr. Hopfner became a member of the Supervisory Board of Exasol AG in June 2018.

Prof. Jochen Tschunke, Gerhard Rumpff and Dr. Knud Klingler were reelected by the annual general shareholders' meeting held on 11 May 2016 for a term of office until the end of the general shareholders' meeting resolving on the formal approval for the financial year 2020. Dr. Karl Hopfner was elected by the annual general shareholders' meeting held on 6 June 2018, after the increase of the number of members of the Supervisory Board to four, also for a term of office until the end of the general shareholders' meeting resolving on the formal approval for the financial year 2020.

With resolution of the Supervisory Board dated 11 May 2016, Prof. Tschunke was appointed Chairman and Gerhard Rumpff was appointed Deputy Chairman of the Supervisory Board.

Due to its size of four members, the Supervisory Board has not formed any committees, in particular also no audit committee or remuneration committee.

The members of the Supervisory Board can be contacted under the business address of the Company, Neumeyerstraße 22-26, 90411 Nuremberg, Germany.

10.2.3. Shareholdings of the Supervisory Board Members

As of the date of the Prospectus, the Supervisory Board members and/or affiliated persons or companies directly or indirectly hold shares in the Company as follows:

Supervisory Board member / Affiliated person or company	**Number of Shares**
Prof. Jochen Tschunke	
Tschunke Beteiligungs GbR[1)]	29,310
T.i.B.i. GmbH & Co. KG[1)]	9,732
Petra Tschunke[2)]	1,093,754
Oliver Tschunke[2)]	97,808
Gerhard Rumpff	135,084
Dr. Knud Klingler	
SYNTOS Beteiligungs GmbH[3)]	6,932,674
Private Person[4)]	106,210

1) Tschunke Beteiligungs GbR and T.i.B.i. GmbH & Co. KG are controlled by the Supervisyory Board member Prof. Jochen Tschunke.

2) Private persons related to the Supervisory Board member Prof. Jochen Tschunke.

3) SYNTOS Beteiligungs GmbH is controlled by the Supervisory Board member Dr. Knud Klingler.

4) Private person related to the Supervisory Board member Dr. Knud Klingler.

As of the date of the Prospectus the member of the Supervisory Board Karl Hopfner does not hold any shares in the Company.

10.2.4. Remuneration of the Supervisory Board members

For the financial year 2019 the members of the Supervisory Board received a renumeration in the amount of EUR 20,000 each, the chairman EUR 40,000 and the deputy chairman EUR 30,000. As from the financial year 2020 the members of the Supervisory Board will receive a remuneration in the amount of EUR 25,000 each, the chairman will receive EUR 50,000 and the deputy chairman EUR 37,500.

The Company bears the cost of a directors' and officers' liability insurance policy for the members of the Supervisory Board.

No service agreements or similar agreements with the members of the Supervisory Board exist. There are also no commitments or provisions for pension or retirement payments to the members of the Supervisory Board.

10.3. Senior Management

The Company believes that there is no member of the Company's senior management, who is relevant for determining whether the Company has the required expertise and experience for the management of the business.

10.4. Additional Information in regard to the Board Members

At the date of the Prospectus, no family relationships exist among the members of the Management Board, among the members of the Supervisory Board and among the members of the Management Board on one hand and the members of the Supervisory Board on the other hand.

During the last five years, no current member of the Management Board or current member of the Supervisory Board has been convicted of any fraudulent offenses. Except for a fine (*Bußgeld*) in the amount of EUR 994 imposed on Michael Konrad in his capacity as chief financial officer by the Federal Central Tax Office (*Bundeszentralamt für Steuern*) in April 2019 on account of the failure to timely submit recapitulative statements (*Zusammenfassende Meldungen*) pursuant to Sec. 18a (2) Turnover Tax Act (*UStG*), during the last five years, no current member of the Management Board or current member of the Supervisory Board has been publicly incriminated or sanctioned by statutory or regulatory authorities (including professional associations).

No current member of the Management Board or Supervisory Board has ever been deemed by a court to be unfit for membership in a management or supervisory body of a company or to be unfit to exercise management duties for or manage the business of an issuer during the last five years.

11. Financial Information

11.1. General Information

The Company has prepared financial statements in accordance with German GAAP (*HGB*) for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017, which were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany, who issued in each case an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) thereon. Further, the Company later prepared cash flow statements and statements of changes in equity in accordance with German GAAP for the financial years ended 31 December 2019 and 31 December 2018 (with comparable figures for the year ended 31 December 2017), which were also audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany, who issued in each case a certification

(*Bescheinigung*) thereon. The financial statements 2017, 2018 and 2019, the cash flow statements 2017, 2018 and 2019, and the statements of changes in equity 2017, 2018 and 2019 referred to as ***Audited Financial Statements***.

The Company also prepared consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018 in accordance with German GAAP. The consolidated financial statements 2018 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany, who issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) thereon (the ***Audited Consolidated Financial Statements***).

The Company´s principal functional currency is the Euro and the Company prepares its financial statements in Euro.

11.2. Selected other key performance indicators

In addition to its German GAAP reporting, Exasol tracks certain key business metrics to measure its performance, identify trends and make strategic decisions. These include measures derived from its consolidated German GAAP financial statements, such as adjusted revenue, period on period adjusted revenue growth, operating gross profit, operating gross profit margin, adjusted EBITDA and adjusted EBITDA margin. Adjusted revenue, period on period adjusted revenue growth, operating gross profit, operating gross profit margin, adjusted EBITDA and adjusted EBITDA margin are alternative performance measures (***APMs***) as defined in the guidelines issued by the European Securities and Markets Authority (***ESMA***) on 5 October 2015 on alternative performance measures (the ***ESMA Guidelines***) and are not required by, or presented in accordance with, German GAAP or any other generally accepted accounting principles. Exasol presents APMs because they are used by management in monitoring, evaluating and managing its business and management believes these measures provide an enhanced understanding of Exasol's underlying results and related trends. Further, management believes these and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in its industry. Such business metrics are not measurements of Exasol's performance or liquidity under German GAAP or any other generally accepted accounting principles and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with German GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Further, Exasol tracks other key business metrics, not derived from its German GAAP financial statements, but based on data from the internal reporting system such as number of customers, annual customer churn, customer life time value, customer acquisition costs, monthly recurring revenue and annual recurring revenue (***Other KPIs***).

11.2.1. Alternative Performance Measures (APMs)

The following table sets out an overview of Exasol Group's APMs for the periods indicated:

(EUR in thousands, except where otherwise indicated) (unaudited)	For the financial year ended 31 December 2019	2018	2017
Adjusted revenue ..…………………..……	22,183	18,285	15,055
Period on period adjusted revenue growth in %) ………………………………………….	21%	21%	12%
Operating gross profit ………………………….	19,533	16,344	15,023
Operating gross profit margin (in %) …………	90%	92%	89%
Adjusted EBITDA …………………………..….	-618	2,896	2,187
Adjusted EBITDA margin (in %) ….…..……..	-3%	16%	13%

Adjusted revenue

Exasol defines Adjusted revenue as revenue less or plus specific revenue.

Exasol considers Adjusted revenue to be a useful metric for evaluating Exasol's performance as this figure eliminates the change of a subscription customer in 2017 to a license model which had a high one-off impact on revenue in 2017. Therefore, the one-time license purchase is deducted in 2017 and in the following years the revenue from the old subscription contract is included.

The table below sets out a reconciliation of Adjusted revenue to revenue for the periods indicated below:

(EUR in thousands and unaudited, except where otherwise indicated)	For the financial year ended 31 December 2019	2018	2017
Revenue ……………….…………….………..	21,612*	17,715*	16,972*
Revenue adjustments[1)] .………….………	571	571	-1,917
Adjusted revenue ……………….……….	**22,183**	**18,285**	**15,055**

* *Audited.*

[1)] *Revenue adjustments include (i) financial year 2018 and 2019: deduction of kEUR 96 revenue from maintenance and adding kEUR 667 revenue from subscription; and (ii) financial year 2017: deduction of kEUR 1,917 revenue from licenses*

Period on period adjusted revenue growth

Exasol defines period on period adjusted revenue growth as growth of adjusted revenue in a period compared to the respective previous period in per cent.

Exasol considers period on period adjusted revenue growth to be a useful metric for evaluating Exasol's performance as this figure reflects the adjusted revenue growth of the periods.

Gross profit, Operating gross profit and Operating gross profit margin

Exasol defines gross profit as revenue plus other own work capitalised and other operating income less cost of materials. Exasol defines Operating gross profit as gross profit less own work capitalised. Operating gross profit margin means Operating gross profit as a percentage of revenue.

Exasol considers Operating gross profit and Operating gross profit margin to be useful metrics for evaluating Exasol's performance as this key figure includes all variable costs and the gross profit shows the maximum amount of fixed costs that may be incurred in order to generate profits. The gross profit is therefore a residual figure from which the total operating costs must be financed. The own work capitalized are deducted to obtain a cleaned gross profit margin.

The table below sets out a reconciliation of Operating gross profit to gross profit for the periods indicated below:

	For the financial year ended 31 December		
	2019	**2018**	**2017**
(EUR in thousands, except where otherwise indicated)	**(unaudited, except where otherwise indicated)**		
Revenue ………………………………………..	21,612*	17,715*	16,972*
Other own work capitalised …………………..	1,826*	1,395*	1,328*
Other operating income ……………………….	336*	263*	341*
Cost of materials ……………………………….	-2,415*	-1,633*	-2,289*
Gross profit ..…………………………………..	**21,359**	**17,738**	**16,352**
Other own work capitalised ….………………..	-1,826*	-1,395*	-1,328*
Operating gross profit ……………………….	**19,533**	**16,344**	**15,023**
Operating gross profit margin (in%)1) …….	**90%**	**92%**	**89%**

* *Audited.*

1) *Operating gross profit margin means operating gross profit as a percentage of revenue.*

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

Exasol defines EBITDA as consolidated (loss)/profit for the year before amortisation of intangible assets and depreciation of property, plant and equipment, interest and similar expenses, other interest and similar income and income taxes. Exasol defines Adjusted EBITDA as EBITDA adjusted for specific non-recurring cost items and specific non-recurring revenue items. Adjusted EBITDA margin means Adjusted EBITDA as percentage of revenue.

Exasol considers Adjusted EBITDA and Adjusted EBITDA margin to be useful metrics for evaluating Exasol's performance as it facilitates comparing Exasol's core operating results from period to period by removing the impact of transactional costs, costs of the SAR provision, costs in connection with the litigation against a minority shareholder, its capital structure (net interest expense), asset base (depreciation and amortisation) and tax consequences.

The table below sets out a reconciliation of EBITDA and Adjusted EBITDA to consolidated profit / loss for the periods indicated below:

(EUR in thousands, except where otherwise indicated)	2019	2018	2017
	For the financial year ended 31 December		
	(unaudited, except where otherwise indicated)		
Consolidated profit / loss for the year	-13,979*	-632*	1,318*
Amortisation of intangible assets and depreciation of property, plant and equipment..	2,198*	1,868*	1,672*
Interest and similar expenses	700*	527*	527*
Other interest and similar income	-1*	-	0*
Income taxes	125*	3*	10*
EBITDA	**-10,957**	**1,765**	**3,527**
Adjustments for specific non-recurring cost items[1]	9,768	560	577
Revenue adjustments[2]	571	571	-1,917
Adjusted EBITDA	**-618**	**2,896**	**2,187**

* *Audited.*

[1] *Specific non-recurring cost items as adjusted in Adjusted EBITDA include (i) SAR (stock appreciation rights) accruals (ii) transactional costs and (iii) legal and consultancy fees in connection with the litigation against a minority shareholder.*

[2] *See "Adjusted revenue" above.*

11.2.2. Other KPIs

The following table sets out an overview of Exasol Group's other key performance indicators (***KPIs***) based on data from the internal reporting system for the periods indicated:

(EUR in thousands, except where otherwise indicated)	2019	2018	2017
	As of 31 December		
	(unaudited)		
Annual customer churn[1]	4.00%	5.50%	4.80%
Customer lifetime value (CLTV)[2]	3,684	2,221	2,484
Customer acquisition costs (CAC)[3]	173	182	127
Monthly recurring revenue (MRR)[4]........	1,466	980	848
Annual recurring revenue (ARR)[5].........	17,592	11,760	10,176

[1] *Exasol defines annual customer churn as the percentage of customers who terminate the services provided by Exasol within a one year period.*

[2] *Exasol defines customer lifetime value (CLTV) as the value of a customer taking into account the lifespan und average revenue per period.*

[3] *Exasol defines customer acquisition costs (CAC) as the sales and marketing costs necessary to win a new customer.*

[4] *Exasol defines monthly recurring revenue (MRR) as the sum of all recurring revenues resulting from continuing contractual obligations within the respective month (reporting month). Recurring revenues are revenues from subscriptions (on-premise installation and cloud) and ongoing support services.*

[5] *Exasol defines annual recurring revenue (ARR) as monthly recurring revenue in the reporting month x 12 months.*

11.3. Significant Change in the Financial Position of Exasol

On 14 January 2020 certain shareholders of the Company transferred in total 881,794 Shares of the Company to the Company by way of a contribution without consideration (see "*12.2.1 Relationships between the Company and its shareholders*"). The Company intends to sell 285,000 of these Shares as part of the Offering. The proceeds from the sale of these Shares will be used to compensate the costs incurred by the Company in connection with the first instalment of the SAR Compensation claims of the members of the Management Board (see "*7.1.3 Use of the Issue Proceeds*" and *"6.3.8 Risks related to the fulfilment of Exasol's payment obligations with respect to the SAR Compensation claims of the Management Board members")*.

In a loan agreement dated 20 April 2020, SYNTOS Beteiligungs GmbH and Hesz'sche Privatstiftung granted a shareholder loan to the Company in an aggregate nominal amount of EUR 1.2 million. The loan has a term until 27 April 2021 with early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company and (ii) an initial public offering of the shares in the Company. The loan is subject to an interest rate of 8 % p.a.; interest is due for payment on 31 December 2020. In case of an exit an additional exit premium in the amount of 5% initially, and 10% after three months, of the loan amount has to be paid by the Company.

There have been no further significant changes in Exasol's financial position between 31 December 2019 and the date of the Prospectus.

11.4. Dividend Policy

11.4.1. General Rules on Allocation of Profits and Dividend Payments

Based on their respective interest in the Company's share capital, the Company's shareholders have a right to the Company's distributable profits. If contributions have been made during the course of a financial year, the contributions are proportionally considered according to the time expired since the payment of the contribution (Section 60 paragraph 2 sentence 3 of the German Stock Corporation Act - *AktG*). According to Section 8 para. 3 of the Company's Articles of Association the profit distribution of new shares can be determined deviant from Section 60 paragraph 2 clause 3 of the AktG by way of capital increase resolution.

In a German stock corporation, resolutions concerning the distribution of dividends for a given financial year, and the amount and payment date thereof, are adopted by the general shareholders' meeting of the subsequent financial year upon a joint proposal by the Management Board and the Supervisory Board. Dividends may only be distributed from the Company’s distributable profit (*Bilanzgewinn*). The distributable profit is calculated based on the Company's stand-alone annual financial statements prepared in accordance with the accounting principles of the German Commercial Code (*Handelsgesetzbuch - HGB*).

When determining the amount available for distribution, net income or loss for the year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profit/loss carry-forwards (*Gewinn-/ Verlustvorträge*) from the previous year and release of or allocations to reserves. Certain reserves are required to be set up by law and must be deducted when calculating the profit available for distribution. The Management Board must prepare the financial statements (statement of financial position, profit and loss statement and notes to the financial statements) and the management report for the previous financial year by the statutory deadline, and present these to the auditors and then the Supervisory Board after preparation. At the same time, the Management Board and the Supervisory Board must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 of the AktG. According to Section 171 AktG, the Supervisory Board must review the financial statements, the management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month after the documents were received. If the Supervisory Board approves the financial statements after its review, these are deemed adopted unless the Management Board and the Supervisory Board resolve to assign the adoption of the financial statements to the general shareholders' meeting. If the Management Board and the Supervisory Board choose to allow the general shareholders' meeting to adopt the financial statements, or if the Supervisory Board does not approve the financial statements, the Management Board must convene a general shareholders' meeting without delay.

The resolution of the general shareholders' meeting on the allocation of the distributable profit must be passed with a simple majority of votes. If the Management Board and the Supervisory Board adopt the financial statements, they can allocate an amount of up to 80% of the Company's net income for the year to other surplus reserves. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net income for the year to be allocated to other surplus reserves. Dividends resolved by the general shareholders' meeting are paid annually shortly after the general shareholders' meeting, as provided in the dividend resolution, in compliance with the rules of the respective clearing system. Dividend payment claims are subject to a three-year standard limitation period. If dividend payment claims expire, then the Company becomes the beneficiary of the dividends. Details concerning any dividends resolved by the general shareholders' meeting and the paying agents named by the Company will be published in each case in the German Federal Gazette (*Bundesanzeiger*).

The Offer Shares have dividend rights as of 1 January 2019. The dividends will be paid out in accordance with the rules of the clearing system of Clearstream. Details of dividend payments and the respective paying agent will be published in the German Federal Gazette (*Bundesanzeiger*) after the general shareholders' meeting. Neither German law nor the Company's Articles of Association provide for a special procedure for the exercise of dividend rights by shareholders not residing in Germany. Shareholders who have their shares held in safekeeping by a custodian bank situated outside Germany must inquire at the respective bank regarding the terms and conditions applicable in their case.

Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid.

11.4.2. Dividend Policy

Due to the net loss as recorded in the German GAAP Financial Statements 2017 and 2018, no distributions were made in respect of the financial years ended 31 December 2017 and 31 December 2018. Due to the net loss as recorded in the German GAAP Financial Statements 2019, the Company will also not pay dividends for the financial year 2019.

The Company's ability to pay future dividends depends on the amount of distributable retained profits. The Company is not in a position to make any statements on the amount of future retained profits or on whether retained profits will exist at all in the future. Consequently, the Company is unable to guarantee that dividends will be paid in future years. The Company intends to use a major part of its profits, if any, less the proportion to be allocated to the statutory reserve, for financing further growth of its business in the coming financial years and to pay dividends only to the extent that this is consistent with its business and investment planning.

11.5. Consolidated Financial Information of Exasol Group

Note: The below-referenced auditor‘s report and consolidated financial statements are both translations of the respective German-language documents.

11.5.1. Consolidated Financial Statements of Exasol Group prepared in accordance with HGB for the financial year ended 31 December 2019 (audited)

Consolidated balance sheet as at 31 December 2019

Assets

		31.12.2019		31.12.2018	
		EUR	**EUR**	**EUR**	**EUR**
A.	**Fixed assets**				
I.	Intangible Assets				
1	Internally generated industrial property rights and similar rights and assets	4,805,765.48		3,787,743.87	
2	Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets acquired for consideration	1,929,227.00		1,979,587.00	
3	Goodwill	486,172.00	7,221,164.48	972,345.00	6,739,675.87
II.	**Property, plant and equipment**				
1	Other equipment, operating and office equipment		648,598.00		649,109.00
			7,869,762.48		**7,388,784.87**
B.	**Current assets**				
I.	**Receivables and other assets**				
1	Trade receivables	1,844,884.69		4,939,743.48	
2	Other assets	249,700.92	2,094,585.61	109,000.63	5,048,744.11
II.	**Cash and cash equivalents**		616,653.21		1,111,965.03
			2,711,238.82		**6,160,709.14**
C.	**Prepaid expenses**		480,695.14		611,300.14

D.	**Deficit not covered by equity**	20,501,741.50	6,493,917.48
		31,563,437.94	**20,654,711.63**

Equity and liabilities

		31.12.2019 EUR	31.12.2019 EUR	31.12.2018 EUR	31.12.2018 EUR
A.	**Equity**				
I.	**Issued Capital**				
	1. Subscribed capital	15,654,000.00		15,654,000.00	
	2. Nominal value of own shares	-502,127.00	15,151,873.00	0.00	15,654,000.00
II.	**Capital reserve**		13,457,859.97		12,955,732.97
III.	**Difference in equity due to currency translation**		181,713.08		210,493.64
IV.	**Accumulated deficit brought forward**		-35,314,144.09		-34,682,064.62
V.	**Consolidated profit/loss for the year**		-13,979,043.46		-632,079.47
VI.	**Deficit not covered by equity**		20,501,741.50		6,493,917.48
			0.00		**0.00**
B.	**Contributions made to implement the resolved capital increase**		8,490,449.51		0.00
C.	**Provisions**				
1.	Tax provisions		80,000.00		0
2.	Other provisions		11,403,925.19		1,443,058.33
			11,483,925.19		1,443,058.33
D.	**Liabilities**				
1.	Liabilities to banks		2,192,517.56		1,384,242.63
2.	Trade payables		1,502,009.78		965,610.43
3.	Other liabilities		3,742,560.03		12,808,974.34
	- thereof for taxes: EUR 194,306.43 (PY: EUR 600,300.56) -				
	- thereof for social security: EUR 159,554.67 (PY: EUR 109,757.71)				
			7,437,087.37		**15,158,827.40**
E.	**Deferred income**		4,151,975.87		4,052,825.90
			31,563,437.94		**20,654,711.63**

Consolidated income statement for the period from 1 January to 31 December 2019

		2019		2018	
		EUR	EUR	EUR	EUR
1.	Revenue		21,612,091.42		17,714,504.45
2.	Other own work capitalised		1,826,088.85		1,394,626.93
3.	Other operating income		335,690.77		262,580.14
	- thereof from currency translation: EUR 31,705.94 (PY: EUR 50,744.09) -				
4.	Cost of materials				
	a) Cost of raw materials, supplies and purchased goods	-2,287,797.34		-1,460,909.79	
	b) Cost of purchased services	-126,775.74	-2,414,573.08	-172,397.67	-1,633,307.46
5.	Personnel expenses				
	a) Wages and salaries	-22,740,545.95		-9,479,827.42	
	b) Social security, pension and other benefits	-1,582,178.87	-24,322,724.82	-1,173,418.80	-10,653,246.22
	- thereof for pensions: EUR 16,507.77 (PY: EUR 13,986.63) -				
6.	Amortisation of intangible assets and depreciation of property, plant and Equipment		-2,198,271.73		-1,867,815.09
7.	Other operating expenses		-7,989,000.10		-5,315,944.46
	- thereof from currency translation: EUR -96,629.65 (PY: EUR 31,536.68) -				
8.	Other interest and similar income		865.75		0.00
9.	Interest and similar expenses		-699,665.17		-526,533.84
	- thereof to shareholders: EUR 440,761.93 (PY: EUR 465,956.33) -				
10.	Income taxes		-124,800.35		-2,832.75
11.	**Earnings after taxes**		**-13,974,298.46**		**-627,968.30**
12.	Other taxes		-4,745.00		-4,111.17
13.	**Consolidated profit/loss for the year**		**-13,979,043.46**		**-632,079.47**

Consolidated statement of cash flows

	2019	2018
	KEUR	KEUR
Loss/profit for the period	-13,979	-632
Amortisation, depreciation and write-downs on fixed assets	2,198	1,868
Increase/decrease in provisions	9,770	-210
Other non-cash expenses/income	-3,488	-3,254
Increase in inventories, trade receivables and other assets not attributable to investing or financing activities	2,505	-1,043
Increase in trade payables and other liabilities not attributable to investing or financing activities	4,465	4,042
Interest expense/income	699	527
Income tax expense	125	3
Other operating income from grants	-24	-70
Income taxes paid	-45	-3
Cash flows from operating activities	**2,226**	**1,228**
Acquisition of intangible assets	-2,262	-1,421
Acquisition of property, plant and equipment	-417	-647
Interest received	1	-
Cash flows from investing activities	**-2,678**	**-2,068**
Proceeds from issue of bonds and from loans and borrowings	-	924
Repayments of bonds and borrowings	-851	-73
Proceeds from grants received	24	70
Interest paid	-77	-57
Cash flows from financing activities	**-904**	**864**
Net change in cash and cash equivalents	-1,356	24
Effect of movements in exchange rates and remeasurements on cash held	-14	-1
Cash and cash equivalents at the beginning of the period	-95	-118
Cash and cash equivalents at the end of the period	**-1,465**	**-95**

Cash and cash equivalents consist of the following:

	31 Dec. 2019	31 Dec. 2018
	KEUR	KEUR
Cash and cash equivalents	617	1,112
Current account liabilities	-2,082	-1,207
	-1,465	**-95**

Other non-cash expenses and income mainly include the reversal of items of prepaid expenses and deferred income.

Consolidated statement of changes in equity

	Parent company's equity							
	Issued capital							
	Share capital	Own shares	Sum of share capital	Capital reserve	Foreign currency translation differences	Accumulated deficit brought forward	Consolidated net income/ loss for the year	Consolidated equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 1 December 2018	**15,654,000.00**	**0.00**	**15,654,000.00**	**12,955,732.97**	**271,479.96**	**-35,999,810.14**	**1,317,744.52**	**-5,800,852.69**
Currency translation	0.00	0.00	0.00	0.00	-60,986.32	0.00	0.00	-60,986.32
Other changes	0.00	0.00	0.00	0.00	0.00	1,317,745.52	-1,317,744.52	1.00
Consolidated net income for the year	0.00	0.00	0.00	0.00	0.00	0.00	-632,079.47	-632,079.47
As at 31 December 2018	**15,654,000.00**	**0.00**	**15,654,000.0**	**12,955,732.97**	**210,493.64**	**-34,682,064.62**	**-632,079.47**	**-6,493,917.48**
Purchase of own shares	0.00	-502,127.00	-502,127.00	502,127.00	0.00	0.00	0.00	0.00
Currency translation	0.00	0.00	0.00	0.00	-28,780.56	0.00	0.00	-28,780.56
Other changes	0.00	0.00	0.00	0.00	0.00	-632,079.47	-632.079.47	0.00
Consolidated net loss for the year	0.00	0.00	0.00	0.00	0.00	0.00	-13,979,043.46	-13,979,043.46
As at 31 December 2019	**15,654,000.00**	**-502,127.00**	**15,151,873.00**	**13,457,859.97**	**181,713.08**	**-35,314,144.09**	**-13,979,043.46**	**-20,501,741.50**

Notes to the consolidated financial statements for financial year 2019

A. General information and explanatory notes

(1) EXASOL AG is based in Nuremberg and listed in the commercial register of the Nuremberg District Court (register file number HRB 23037).

(2) The consolidated financial statements were prepared in accordance with the provisions of Sections 290 et seqq. of the German Commercial Code [HGB] and the supplementary provisions of the German Stock Corporation Act [AktG].

The functional currency is the euro.

The financial year for the Group and the consolidated companies is the calendar year.

B. Consolidated group

The consolidated financial statements of EXASOL AG, Nuremberg, encompass the wholly owned subsidiaries included pursuant to Section 313 (2) HGB.

Disclosures pursuant to Section 313 (2) HGB

Name and registered office of the company	Share in %	Currency
EXASOL Vertriebsholding GmbH, Berlin	100	EUR
EXASOL Cloud Computing GmbH, Nuremberg	100	EUR
EXASOL Big Data Technologies GmbH, Berlin	100	EUR
EXASOL Europa Vertriebs GmbH, Nuremberg	100	EUR
EXASOL UK Ltd., London (United Kingdom)	100	GBP
EXASOL USA Inc., San Francisco (USA)	100	USD

EXASOL France S.A.S., Paris (France)	100	EUR

All companies were fully included in the consolidated financial statements through full consolidation. Therefore, with the exception of the first-time consolidation of EXASOL France S.A.S, Paris, the date of first-time consolidation is 1 January 2017. EXASOL France S.A.S. was founded on 1 September 2017 and consolidated for the first time on this date. The investments are indirectly held by EXASOL AG through EXASOL Vertriebsholding GmbH, Berlin.

C. Accounting policies

(1) The financial statements of the companies included in EXASOL AG's consolidated financial statements were prepared in accordance with uniform accounting policies, the general accounting policies specified in Sections 246 – 256a HGB and the special recognition and measurement policies applicable to corporation (Sections 264 – 277 HGB in conjunction with Section 298 (1) HGB). The income statement has been prepared using the nature of expense method. The following accounting policies were used to prepare the consolidated financial statements.

(2) The assets and liabilities were measured under the assumption that the Company is able to continue as a going concern. The Exasol Group may be exposed to liquidity risks resulting from seasonal fluctuations in Exasol's business activities. Exasol's business activities are subject to seasonal fluctuations. In general, incoming orders are declining in the third calendar quarter, as many decision-makers are on vacation during the summer months. Although order volumes generally increase in the fourth calendar quarter as many companies have to spend their IT budgets, payments for these orders are usually not received until the beginning of the next year. In addition, income from regular subscriptions is usually generated at the beginning of a calendar year. As a result, the Exasol Group may have limited liquidity at the end of a calendar year and is exposed to the risk of not being able to meet its financial obligations in full and/or on the due dates. This could have material adverse effects on the business and the results of operations as well as earnings and financial position.

(3) Fixed assets are generally stated at cost less amortisation and depreciation. If permanent impairment is likely, assets are is written down beyond amortisation/depreciation to the lower fair value. Additions are depreciated pro rata temporis. Any low-value assets acquired at a cost of EUR 800.00 or less are written down in full in the year of acquisition.

(4) Internally generated intangible fixed assets are recognised and valued in accordance with Section 248 (2) and Section 255 (2a) HGB. The manufacturing costs in this regard include all direct and indirect costs directly attributable to the production process. Exercising the capitalisation option shows financial performance in a better light and reflects better the potential

of the developments in the financial position. These assets are amortised on a straight-line basis over two to five years.

(5) Intangible assets acquired for a consideration (including advance payments) are stated at cost and, if they have a limited life, amortised on a straight-line basis over their respective useful lives. Recognised goodwill is amortised over its useful life of 15 years in line with tax regulations. As goodwill is based on established and consistent business, the Company continues to consider the total useful life approach as being appropriate. Purchased property rights are amortised over a useful life of five to ten years and the remaining intangible assets are written down over a useful life of three to 20 years.

(6) Property, plant and equipment are stated at cost less depreciation where subject to wear and tear. Items of property, plant and equipment are depreciated based on their estimated useful life in line with the highest rates recognisable for tax purposes. Fixed assets are depreciated on a straight-line basis. The useful lives vary between three and 14 years.

(7) Receivables and other assets are stated at nominal value. A general bad debt provision has been recognised for general credit risk and the costs usually incurred in connection with delayed payment. Specific allowances are recognised for all discernible individual risks.

Non-current receivables denominated in foreign currency are translated at the rate prevailing on the transaction date or the lower rate on the balance sheet date. Short-term receivables denominated in foreign currency are translated at the average spot exchange rate applicable as at the reporting date.

(8) Cash and cash equivalents are recognised at nominal value or, in the case of foreign currency balances, at the average spot exchange rate as at the balance sheet date.

(9) Other provisions are recognised at the settlement amount deemed necessary based on sound business judgement and take account of all identifiable risks. Provisions with a remaining term of more than one year are discounted using a market rate with matching maturity.

(10) Liabilities are stated at their settlement amounts.

Non-current liabilities denominated in foreign currency are translated at the rate prevailing on the transaction date or the higher rate on the balance sheet date. Short-term liabilities denominated in foreign currencies are translated at the average spot exchange rate as at the balance sheet date.

(11) Prepaid expenses and deferred income include receipts or expenditures prior to the reporting date that represent income or expenses after the reporting date.

(12) In accordance with Section 274 HGB, deferred tax assets and liabilities are recognised for temporary differences between the values stated in the tax balance sheet and the values reported under the German Commercial Code (temporary concept).

In addition, deferred taxes are recognised in respect of tax losses carried forward, provided it is expected that these can be used in the near future.

Deferred taxes are determined on the basis of the tax rates that, according to the current legal situation in the countries concerned, will apply or are expected to apply at the time of realisation. Deferred tax assets are recognised only if it is expected that these can be realised.

For differences between values reported in the financial statements and for tax purposes, which are likely to be offset in future financial years, deferred tax assets and liabilities are recognised and measured pursuant to Section 306 HGB.

The option to net deferred tax assets and liabilities has been exercised.

D. Currency translation

The Company uses the modified closing rate method for translating foreign currencies.

The balance sheet items of the foreign subsidiaries are translated at the respective average spot exchange rate on the balance sheet date. Equity is translated at the historical exchange rates.

Income statement items of foreign subsidiaries are translated using the average annual exchange rate. In order to incorporate the net income for the year from the income statement (translated at the average annual rate) into the balance sheet, the difference from the rate prevailing on the reporting date is allocated to a separate item entitled "foreign currency translation differences".

The following exchange rates provided the basis for foreign currency translation:

EUR 1 is equivalent to	Closing rate on 31 Dec. 2019	Average rate in 2019
US dollars (USD)	1.12 (PY: 1.14)	1.12 (PY: 1.18)
British pound (GBP)	0.85 (PY: 0.90)	0.88 (PY: 0.88)

E. Consolidation policies

The reporting date of the consolidated financial statements is 31 December 2019 and corresponds to the Parent Company's balance sheet date and that of the subsidiaries.

Capital consolidation

Capital is consolidated pursuant to Section 301 (2) sentence 5 HGB as at the date of first-time consolidation 1 January 2017 using the values recognised at the date the entities became subsidiaries, as all subsidiaries were established by cash contribution in the past. The differences from netting the acquisition costs of the shares upon establishment (date of acquisition) and the equity at book value as at 1 January 2017 of the subsidiaries are solely from accumulated profits and losses and were offset against the consolidated retained earnings brought forward.

Consolidation of liabilities

On account of Section 303 (1) HGB, receivables and liabilities between companies included in the consolidated financial statements are eliminated during the course of debt consolidation.

Elimination of intercompany profit or loss

Assets included in the consolidated financial statements, which are based on supplies or services between the companies included in the consolidated financial statements, are recognised at group production cost. The Group's manufacturing costs include appropriate material and production overheads and are otherwise calculated using the same method that is uniformly used in the financial statements of the group companies. If intercompany trade profits or losses are realised between companies included in the consolidated financial statements, then these were determined and eliminated pursuant to Section 304 (1) HGB for the purpose of the consolidated financial statements.

The elimination of intercompany profits and losses led to a KEUR -444 change in the Group's earnings as at 31 December 2019 (PY: KEUR -141).

Consolidation measures in the consolidated income statement

Both revenue and other trade income between consolidated companies are set off in the consolidated income statement against expenses attributable to them with respect to recipients of goods and services.

F. Disclosures and explanatory notes on the consolidated balance sheet

1. Fixed assets

The movements in fixed assets during the financial year between 1 January 2019 and 31 December 2019 as well as the breakdown of the individual items are presented in the statement of movements in fixed assets (appendix to the notes).

Intangible assets include purchased property rights and IT software as well as internally generated intangible assets (capitalised development services for software) and goodwill. KEUR 2,262 in internally developed intangible fixed assets were capitalised in the year under review. (PY: KEUR 1,395). Overall, R&D expenses were incurred in the amount of KEUR 2,262 (PY: KEUR 1,395) in the form of personnel expenses and directly allocable overheads for rent, the IT infrastructure and administration.

Purchased property rights include property rights acquired as part of purchase and transfer agreements along with other acquired rights.

Additions in 2019 to fixed assets mainly included investments in internally generated intangible assets, IT software and IT infrastructure.

2. Current assets

Receivables and other assets are as follows:

KEUR	Financial year	thereof due after more than one year	Prior year	thereof due after more than one year
Trade receivables	1,845	0	4,940	0
Other assets	250	61	109	38
	2,095	61	5,049	38

'Other assets' does not include any larger amounts that are not legally incurred until after the reporting date.

Deferred taxes

The Company does not report any deferred tax assets. Deferred tax assets were offset against deferred tax liabilities – to the extent permissible and if they arose in the same tax office (Germany, UK, USA and France).

Deferred tax assets were recognised on tax loss carryforwards up to the amount of the net excess over deferred tax liabilities on temporary differences. The excess amount was written down because the usability of loss carryforwards in the next five years cannot be reliably estimated.

Temporary differences between the values stated for intangible assets and goodwill in the commercial and tax balance sheets resulted in deferred tax liabilities as of the balance sheet date, whereas deferred tax assets result from other provisions and items denominated in foreign currencies.

Consolidation measures pursuant to Section 306 HGB triggered deferred taxes. This is not reported due to lacking evidence of its usage.

The company-specific tax rates of the EXASOL single entities are used to calculate deferred taxes. In this regard, the German companies used a tax rate of 32.17%, EXASOL UK Ltd. 19%, EXASOL USA Inc. 21% and EXASOL France S.A.S. 31%.

3. Equity

(1) Subscribed capital

	1 Jan. 2019	Increase	Decrease	31 Dec. 2019
	EUR	EUR	EUR	EUR
Original capital	86,950	---	---	86,950
Capital increase	15,567,050	---	---	15,567,050
Share capital	15,654,000	---	---	15,654,000

On 5 December 2019, an extraordinary general meeting resolved to increase the share capital against contribution in kind. The share capital will be increased by EUR 1,463,870 from EUR 15,654,000 to EUR 17,117,870 by issuing 1,463,870 new registered no-par value shares with a nominal value of EUR 1.00 per share. This was registered with the Nuremberg Local Court on February 6, 2020.

(2) Capital reserve

	1 Jan. 2019	Increase	Decrease	31 Dec. 2019
	EUR	EUR	EUR	EUR
Offering premium arising from capital increase	12,955,733	---	---	12,955,733
Other additional payments	---	502,127	---	502,127
	12,955,733	502,127	---	13,457,860

(3) Treasury stock

As of the balance sheet date, the Company held a total of 502,127 treasury shares, which were contributed by the shareholders free of charge in December 2019 and represent EUR 502,127 (3.21%) of the share capital. The company is obliged to return the no-par value shares if no IPO is carried out by December 31, 2020.

(4) Authorized capital

On 5 December 2019, an extraordinary general shareholder meeting resolved authorized capital. The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions on or before 4 December 2024 by up to EUR 8,558,935.00 against cash and/or contributions in-kind by issuing up to 8,558,935 new no-par value registered shares ("Authorized Capital 2019/I"). The Authorized Capital 2019/I was registered with the commercial register of the Company on 6 February 2020.

(5) Conditional Capital

By resolution of the Company's extraordinary general shareholders' meeting held on 5 December 2019, the registered share capital of the Company was conditionally increased by up to EUR 6,200,000.00 by issuing up to 6,200,000 new registered shares with no-par value (Conditional Capital 2019/I). The conditional capital is limited until the end of 4 December 2024. The Conditional Capital 2019/I was registered with the commercial register of the Company on 6 February 2020.

4. Other provisions

The other provisions mainly include provisions for bonuses,commissions and stock appreciation rights (SAR) (KEUR 9,428; PY: KEUR 426), personnel expenses (KEUR 559; PY: KEUR 407), external year-end closing expenses (KEUR 262, PY: KEUR 201) and litigation (KEUR 162; PY: KEUR 181). Furthermore, provisions were recognised for archiving expenses and outstanding invoices.

5. Liabilities

The remaining terms of liabilities are as follows:

KEUR	Aggregate amount in financial year	thereof due up to one year	between one and five years	more than 5 years
to banks	2,193	2,121	71	0
	(PY: 1,384)	(PY: 1,256)	(PY: 128)	(PY: 0)
Trade payables	1,502	1,339	163	0
	(PY: 966)	(PY: 680)	(PY: 286)	(PY: 0)
Other liabilities	3,743	3,743	0	0
	(PY: 12,809)	(PY: 1,613)	(PY: 11,196)	(PY: 0)
	7,437	7,203	234	0
	(PY: 15,159)	(PY: 3,549)	(PY: 11,610)	(PY: 0)

Other liabilities include liabilities to shareholders of KEUR 3,140 (PY: KEUR 11,983).

None of the liabilities are securitised.

G. Disclosures and explanatory notes on the consolidated income statement

1. Revenue

Revenue is broken down as follows:

	2019	2019	2018	2018
By activity:	**KEUR**	**%**	**KEUR**	**%**
Licenses	14,796	68	12,679	72
Services	6,737	31	4,802	27
Other income	79	1	233	1
Total	**21,612**	**100**	**17,714**	**100**

	2019	2019	2018	2018
By region	**KEUR**	**%**	**KEUR**	**%**
Germany, Austria, Switzerland	14,319	66	12,583	71
Rest of Europe (excluding the UK) and Rest of World	2,732	13	2,222	13
United Kingdom	1,280	6	1,255	7
Region America	3,282	15	1,654	9
Total	**21,612**	**100**	**17,714**	**100**

2. Other operating income

There are no items of exceptional incidence or amount.

Income relating to other periods in the amount of KEUR 81 (PY: KEUR 2) mainly relates to reversals of provisions.

3. Personnel expenses

Personnel expenses amounted to KEUR 24,323 (PY: KEUR 10,653).

In addition to the expansion of the personnel base in the fiscal year, the increase is driven by the first-time recognition of a provision for the SAR program in the amount of KEUR 7,883 (PY: KEUR 0).

4. Other operating expenses

There are no items of exceptional incidence or amount.

Expenses relating to other periods in the amount of KEUR 172 (PY: KEUR 0) mainly relates to accrual accounting.

5. Income taxes

Taxes on income include the current income tax expense of KEUR 44 (PY: KEUR 3) and for previous years of KEUR 81 (PY: KEUR 0).

H. Contingencies and other financial obligations

1. Contingent liabilities pursuant to Section 251 HGB

There were no contingent liabilities in accordance with Section 251 HGB.

2. Off-balance sheet transactions

Material off-balance sheet transactions exist in terms of real estate rental agreements for business office space as well as leases for server capacity. This approach helps to reduce capital tie-up and means that the investment risk is borne by the lessor. Refer to the information on other financial obligations for more information.

3. Other financial obligations

Type of obligation	Payable within 1 year KEUR	Total KEUR
Rent for offices	618	1,808
Rents and leases for office equipment	686	1,174
	1,304	2,982

The underlying agreements for the business premises have terms of up to five years. The remaining terms for the leased office equipment are between one and three years. Other financial obligations amounted to KEUR 2,982 as at the reporting date.

I. Other disclosures

1. Number of employees

	2019	2018
Administration/Sales/Marketing	89	52
R&D/Cloud/Services	60	56
Total	**149**	**109**
Thereof Executive Board:	3	3

2. Executive Board

Members of the Executive Board in financial year 2019:

Aaron Auld, CEO, Munich

Mathias Golombek, CTO, Ottensoos

Michael Konrad, CFO, Karlsruhe

The above Executive Board members continued to be appointed on the date the consolidated financial statements were prepared.

The total remuneration paid to the Executive Board is not disclosed as provided for under Section 314 (3) sentence 2 in conjunction with Section 286 (4) HGB (exemption clause).

3. Supervisory Board

Members of the Supervisory Board in financial year 2019:

Prof. h.c. Jochen Tschunke, corporate consultant, Munich

Gerhard Rumpff, corporate consultant, Munich

Dr Knud Klingler, corporate consultant, Engerwitzdorf, Austria

Karl Hopfner, corporate consultant, Oberhaching

The total remuneration paid to the Supervisory Board amounted to KEUR 110 in the financial year.

4. Auditor's fee

The total fee of KEUR 216 charged by the auditor of the consolidated financial statements for the financial year under review is comprised as follows:

Activity	**KEUR**
Audit services	148
Other assurance services	68
Tax advisory services	0
Other services	0
	216

5. Proposal on the appropriation of profit

The Executive Board proposes that EXASOL AG's net income for the year of EUR 6,436,086.15 be carried forward to the following year.

J. Information on the cash flow statement

The cash flow statement was prepared in accordance with GAS 21.

Cash and cash equivalents consist of "cash at bank", "cash on hand" and overdraft bank facilities within "liabilities to banks".

Material non-cash expense and income largely included the reversal of prior year's amounts for prepaid expenses (KEUR 481; PY: KEUR 611) and deferred income (KEUR 4,152; PY: KEUR 4,053) as well as retained interest (under interest expenses/income: KEUR 622; PY: KEUR 465).

K. Subsequent events

The coronavirus has been spreading worldwide since January 2020 and has also had extensive effects in Germany since March 2020. The preliminary business climate index of the ifo Institute has fallen from 96.0 % in February 2020 to 86.1 % in March 2020. The German government is also currently assuming recessionary economic development for 2020.

For Exasol AG (Group/Company), we therefore assume that the willingness of customers and potential new customers to invest will be temporarily restrained, especially in the first half of 2020. In order to counteract the potential effects, the company has now taken a package of cost-cutting measures (short-time working, hiring freeze, reduction of material costs, etc.) to offset the potential negative financial impact.

On 20 April 2020, a further shareholder loan of KEUR 1,200 to EXASOL AG was approved. The loan has a term until 27 April 2021 and bears interest at 8% p.a.

There were no other reportable events after the balance sheet date.

Nuremberg, 13 May 2020

EXASOL AG

- Executive Board -

Aaron Auld

Exasol AG

Mathias Golombek

Michael Konrad

Movements in the Group's fixed assets during financial year 2019

		Cost				Accumulated amortisation, depreciation and write-downs				Book value	
		01 Jan. 2019	Additions	Disposals	31 Dec. 2019	01 Jan. 2019	Amortisation, depreciation and write-downs during the financial year	Disposals	31 Dec. 2019	31 Dec. 2019	31 Dec. 2018
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I.	**Intangible assets**										
1.	Internally generated industrial property rights and similar rights and assets	10,186,312.25	2,261,833.13	0.00	12,448,145,38	6,398,568.38	1,243,811.52	0.00	7,642,379.90	4,805,765.48	3,787.743.87
2.	Concessions, industrial property rights and similar rights and assets acquired for a consideration	8,913,143.36	0,00	0.00	8,913,143.36	6,933,556.36	50,360.00	0.00	6,983,916.36	1,929,227.00	1,979,587.00
3.	Goodwill	7,294,411.04	0.00	0.00	7,294,411.04	6,322,066.04	486,173.00	0.00	6,808,239.04	486,172.00	972,345.00
		26,393,866.65	**2,261,833.13**	**0.00**	**28,655,699.78**	**19,654,190.78**	**1,780,344.52**	**0.00**	**21,434,535.30**	**7,221,164.48**	**6,739,675.87**
II.	**Property, plant and equipment**										
	Other equipment, operating and office equipment	**2,107,448.52**	**417,416.21**	**65,591.48**	**2,459,273.25**	**1,458,339.52**	**417,927.21**	**65,591.48**	**1,810,675.25**	**648,598.00**	**649,109.00**
		28,501,315.17	**2,679,249.34**	**65,591.48**	**31,114,973.03**	**21,112,530.30**	**2,198,271.73**	**65,591.48**	**23,245,210.55**	**7,869,762.48**	**7,388,784.87**

Independent Auditor's Report

The below auditor's report and consolidated financial statements referred to are both translations of the respective German-language documents.

To EXASOL AG, Nuremberg

Audit Opinion

We have audited the consolidated financial statements of EXASOL AG, Nuremberg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2019, and notes to the consolidated financial statements, including the accounting policies presented therein.

In our opinion, based on the findings of our audit, the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2019 and of its financial performance for the financial year from 1 January to 31 December 2019, in compliance with German Legally Required Accounting Principles.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for preparing the consolidated financial statements.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misrepresentations can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

– Obtain an understanding of internal control relevant to the audit of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

– Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nuremberg, 13 May 2020

KPMG AG

Wirtschaftsprüfungsgesellschaft

signed Dr Schroff Wirtschaftsprüfer [German Public Auditor]	signed Medick Wirtschaftsprüfer [German Public Auditor]

11.5.2. Consolidated Financial Statements of Exasol Group prepared in accordance with HGB for the financial year ended 31 December 2018 (audited)

Consolidated balance sheet as at 31 December 2018

Assets

		31.12.2018		31.12.2017	
		EUR	EUR	EUR	EUR
A.	**Fixed assets**				
I.	Intangible Assets				
1	Internally generated industrial property rights and similar rights and assets	3,787,743.87		3,437,495.21	
2	Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets acquired for consideration	1,979,587.00		1,998,784.00	
3	Goodwill	972,345.00	6,739,675.87	1,458,517.00	6,894,796.21
II.	**Property, plant and equipment**				
1	Other equipment, operating and office equipment		649,109.00		293,643.00
			7,388,784.87		**7,188,439.21**
B.	**Current assets**				
I.	**Receivables and other assets**				
1	Trade receivables	4,939,743.48		4,589,756.67	
2	Other assets	109,000.63	5,048,744.11	30,210.48	4,619,967.15
II.	**Cash and cash equivalents**		1,111,965.03		549,833.53
			6,160,709.14		**5,169,800.68**
C.	**Prepaid expenses**		611,300.14		240,413.55
D.	**Deficit not covered by equity**		6,493,917.48		5,800,852.69
			20,654,711.63		**18,399,506.13**

		31.12.2018	31.12.2017
	Equity and liabilities	**EUR**	**EUR**
A.	**Equity**		
I.	**Share capital**	15,654,000.00	15,654,000.00
II.	**Capital reserve**	12,955,732.97	12,955,732.97
III.	**Difference in equity due to currency translation**	210,493.64	271,479.96
IV.	**Accumulated deficit brought forward**	-34,682,064.62	-35,999,810.14
V.	**Consolidated profit/loss for the year**	-632,079.47	1,317,744.52
VI.	**Deficit not covered by equity**	6,493,917.48	5,800,852.69
		0.00	**0.00**
B.	**Provisions**		
	Other provisions	1,443,058.33	1,652,887.41
C.	**Liabilities**		
1.	Liabilities to banks	1,384,242.63	704,214.40
2.	Trade payables	965,610.43	832,791.41
3.	Other liabilities	12,808,974.34	11,772,325.25
	- thereof for taxes: EUR 600,300.56 (PY: EUR 785,805.33) - - thereof for social security: EUR 109,757.71 (PY: EUR 175,595.26)		
		15,158,827.40	**13,309,331.06**
D.	**Deferred income**	4,052,825.90	3,437,287.66
		20,654,711.63	**18,399,506.13**

Consolidated income statement for the period from 1 January to 31 December 2018

		2018		2017	
		EUR	**EUR**	**EUR**	**EUR**
1.	Revenue		17,714,504.45		16,971,599.07
2.	Other own work capitalised		1,394,626.93		1,328,386.70
3.	Other operating income		262,580.14		341,084.41
	- thereof from currency translation: EUR 50,744.09 (PY: EUR 4,310.46) -				
4.	Cost of materials				
	a) Cost of raw materials, supplies and purchased goods	-1,460,909.79		-1,936,320.82	
	b) Cost of purchased services	-172,397.67	-1,633,307.46	-352,945.44	-2,289,266.26
5.	Personnel expenses				
	a) Wages and salaries	-9,479,827.42		-7,217,073.30	
	b) Social security, pension and other benefits	-1,173,418.80	-10,653,246.22	-1,112,363.27	-8,329,436.57
	- thereof for pensions: EUR 13,986.63 (PY: EUR 14,244.88) -				
6.	Amortisation of intangible assets and depreciation of property, plant and equipment		-1,867,815.09		-1,671,968.92
7.	Other operating expenses		-5,315,944.46		-4,491,115.07
	- thereof from currency translation: EUR 31,536.68 (PY: EUR 195,801.63) -				
8.	Other interest and similar income		0.00		2.90
9.	Interest and similar expenses		-526,533.84		-526,743.28
	- thereof to shareholders: EUR 465,956.33 (PY: EUR 503,317.74) -				
10.	Income taxes		-2,832.75		-10,059.46
11.	**Earnings after taxes**		**-627,968.30**		**1,322,483.52**
12.	Other taxes		-4,111.17		-4,739.00
13.	**Consolidated profit/loss for the year**		**-632,079.47**		**1,317,744.52**

Consolidated statement of cash flows

	2018	2017
	KEUR	KEUR
Loss/profit for the period	-632	1,318
Amortisation, depreciation and write-downs on fixed assets	1,868	1,672
Increase/decrease in provisions	-210	526
Other non-cash expenses/income	-3,254	-4,236
Increase in inventories, trade receivables and other assets not attributable to investing or financing activities	-1,043	-620
Increase in trade payables and other liabilities not attributable to investing or financing activities	4,042	2,965
Interest expense/income	527	527
Income tax expense	3	10
Other operating income from grants	-70	-222
Income taxes paid	-3	-131
Cash flows from operating activities	**1,228**	**1,809**
Acquisition of intangible assets	-1,421	-1,339
Acquisition of property, plant and equipment	-647	-188
Cash flows from investing activities	**-2,068**	**-1,527**
Proceeds from issue of bonds and from loans and borrowings	924	54
Repayments of bonds and borrowings	-73	-3,226
Proceeds from grants received	70	222
Interest paid	-57	-105
Cash flows from financing activities	**864**	**-3,055**
Net change in cash and cash equivalents	24	-2,773
Effect of movements in exchange rates and remeasurements on cash held	-1	-11
Cash and cash equivalents at the beginning of the period	-118	2,666
Cash and cash equivalents at the end of the period	**-95**	**-118**

Cash and cash equivalents consist of the following:

	31 Dec. 2018	31 Dec. 2017
	KEUR	KEUR
Cash and cash equivalents	1,112	550
Current account liabilities	-1,207	-668
	-95	**-118**

Other non-cash expenses and income mainly include the reversal of items of prepaid expenses and deferred income.

Consolidated statement of changes in equity

	Parent company's equity					
	Share capital	Capital reserve	Foreign currency translation differences	Accumulated deficit brought forward	Consolidated net income/ loss for the year	Consolidated equity
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
As at 1 December 2017	**15,654,000.00**	**12,955,732.97**	**150,962.82**	**-36,390,825.80**	**691,236.83**	**-6,938,893.18**
Currency translation	0.00	0.00	120,517.14	0.00	0.00	120,517.14
Other changes	0.00	0.00	0.00	391,015.66	-691,236.83	-300,221.17
Consolidated net income for the year	0.00	0.00	0.00	0.00	1,317,744.52	1,317,744.52
As at 31 December 2017	**15,654,000.00**	**12,955,732.97**	**271,479.96**	**-35,999,810.14**	**1,317,744.52**	**-5,800,852.69**
Currency translation	0.00	0.00	-60,986.32	0.00	0.00	-60,986.32
Other changes	0.00	0.00	0.00	1,317,745.52	-1,317,744.52	1.00
Consolidated net loss for the year	0.00	0.00	0.00	0.00	-632,079.47	-632,079.47
As at 31 December 2018	**15,654,000.00**	**12,955,732.97**	**210,493.64**	**-34,682,064.62**	**-632,079.47**	**-6,493,917.48**

Notes to the consolidated financial statements for financial year 2018

A. General information and explanatory notes

(1) As the ultimate parent company of the EXASOL Group, EXASOL AG has prepared, for the first time, consolidated financial statements as at 31 December 2018, which include the consolidated financial statements as at 31 December 2017 as a "prior year" column. Accordingly, the companies included in the consolidated financial statements (consolidated group) were consolidated for the first time as at 1 January 2017. EXASOL AG is based in Nuremberg and listed in the commercial register of the Nuremberg District Court (register file number HRB 23037).

(2) The consolidated financial statements were prepared in accordance with the provisions of Sections 290 et seqq. of the German Commercial Code [HGB] and the supplementary provisions of the German Stock Corporation Act [AktG].

The functional currency is the euro.

The financial year for the Group and the consolidated companies is the calendar year.

B. Consolidated group

The consolidated financial statements of EXASOL AG, Nuremberg, encompass the wholly owned subsidiaries included pursuant to Section 313 (2) HGB.

Disclosures pursuant to Section 313 (2) HGB

Name and registered office of the company	Share in %	Currency
EXASOL Vertriebsholding GmbH, Berlin	100	EUR
EXASOL Cloud Computing GmbH, Nuremberg	100	EUR
EXASOL Big Data Technologies GmbH, Berlin	100	EUR
EXASOL Europa Vertriebs GmbH, Nuremberg	100	EUR
EXASOL UK Ltd., London, United Kingdom	100	GBP
EXASOL USA Inc., San Francisco, USA	100	USD
EXASOL France S.A.S., Paris, France	100	EUR

All companies were fully included in the consolidated financial statements through full consolidation. Therefore, with the exception of the first-time consolidation of EXASOL France S.A.S, Paris, the date of first-time consolidation is 1 January 2017. EXASOL France S.A.S. was founded on 1 September 2017 and consolidated for the first time on this date. The investments are indirectly held by EXASOL AG through EXASOL Vertriebsholding GmbH, Berlin.

C. Accounting policies

(1) The financial statements of the companies included in EXASOL AG's consolidated financial statements were prepared in accordance with uniform accounting policies, the general accounting policies specified in Sections 246 – 256 HGB and the special recognition and measurement policies applicable to corporation (Sections 264 – 274, 279 – 283 HGB). The income statement has been prepared using the nature of expense method. The following accounting policies were used to prepare the consolidated financial statements.

(2) The assets and liabilities were measured under the assumption that the Company is able to continue as a going concern.

(3) Fixed assets are generally stated at cost less amortisation and depreciation. If permanent impairment is likely, assets are is written down beyond amortisation/depreciation to the lower fair value. Additions are depreciated pro rata temporis. Any low-value assets acquired at a cost of EUR 800.00 or less are written down in full in the year of acquisition.

(4) Internally generated intangible fixed assets are recognised and valued in accordance with Section 248 (2) and Section 255 (2a) HGB. The manufacturing costs in this regard include all direct and indirect costs directly attributable to the production process. Exercising the capitalisation option shows financial performance in a better light and reflects better the potential of the developments in the financial position. These assets are amortised on a straight-line basis over two to five years.

(5) Intangible assets acquired for a consideration (including advance payments) are stated at cost and, if they have a limited life, amortised on a straight-line basis over their respective useful lives. Recognised goodwill is amortised over its useful life of 15 years in line with tax regulations. As goodwill is based on established and consistent business, the Company continues to consider the total useful life approach as being appropriate. Purchased property rights are amortised over a useful life of five to ten years and the remaining intangible assets are written down over a useful life of three to 20 years.

(6) Property, plant and equipment are stated at cost less depreciation where subject to wear and tear. Items of property, plant and equipment are depreciated based on their estimated useful life in line with the highest rates recognisable for tax purposes. Fixed assets are depreciated on a straight-line basis. The useful lives vary between three and 14 years.

(7) Receivables and other assets are stated at nominal value. A general bad debt provision has been recognised for general credit risk and the costs usually incurred in connection with delayed payment. Specific allowances are recognised for all discernible individual risks.

Non-current receivables denominated in foreign currency are translated at the rate prevailing on the transaction date or the lower rate on the balance sheet date. Short-term receivables denominated in foreign currency are translated at the average spot exchange rate applicable as at the reporting date.

(8) Cash and cash equivalents are recognised at nominal value or, in the case of foreign currency balances, at the average spot exchange rate as at the balance sheet date.

(9) Other provisions are recognised at the settlement amount deemed necessary based on sound business judgement and take account of all identifiable risks. Provisions with a remaining term of more than one year are discounted using a market rate with matching maturity.

(10) Liabilities are stated at their settlement amounts.

Non-current liabilities denominated in foreign currency are translated at the rate prevailing on the transaction date or the higher rate on the balance sheet date. Short-term liabilities denominated in foreign currencies are translated at the average spot exchange rate as at the balance sheet date.

(11) Prepaid expenses and deferred income include receipts or expenditures prior to the reporting date that represent income or expenses after the reporting date.

(12) In accordance with Section 274 HGB, deferred tax assets and liabilities are recognised for temporary differences between the values stated in the tax balance sheet and the values reported under the German Commercial Code (temporary concept).

In addition, deferred taxes are recognised in respect of tax losses carried forward, provided it is expected that these can be used in the near future.

Deferred taxes are determined on the basis of the tax rates that, according to the current legal situation in the countries concerned, will apply or are expected to apply at the time of realisation. Deferred tax assets are recognised only if it is expected that these can be realised.

For differences between values reported in the financial statements and for tax purposes, which are likely to be offset in future financial years, deferred tax assets and liabilities are recognised and measured pursuant to Section 306 HGB.

The option to net deferred tax assets and liabilities has been exercised.

D. Currency translation

The Company uses the modified closing rate method for translating foreign currencies.

The balance sheet items of the foreign subsidiaries are translated at the respective average spot exchange rate on the balance sheet date. Equity is translated at the historical exchange rates.

Income statement items of foreign subsidiaries are translated using the average annual exchange rate. In order to incorporate the net income for the year from the income statement (translated at the average annual rate) into the balance sheet, the difference from the rate prevailing on the reporting date is allocated to a separate item entitled "foreign currency translation differences".

The following exchange rates provided the basis for foreign currency translation:

EUR 1 is equivalent to	Closing rate on 31 Dec. 2018	Average rate in 2018
US dollars (USD)	1.14 (PY: 1.20)	1.18 (PY: 1.13)
British pound (GBP)	0.90 (PY: 0.89)	0.88 (PY: 0.88)

E. Consolidation policies

The reporting date of the consolidated financial statements is 31 December 2018 and corresponds to the Parent Company's balance sheet date and that of the subsidiaries.

Capital consolidation

Capital is consolidated pursuant to Section 301 (2) sentence 5 HGB as at the date of first-time consolidation (1 January 2017) using the values recognised at the date the entities became subsidiaries, as all subsidiaries were established by cash contribution in the past. The differences from netting the acquisition costs of the shares upon establishment (date of acquisition) and the equity at book value as at 1 January 2017 of the subsidiaries are solely from accumulated profits and losses and were offset against the consolidated retained earnings.

Consolidation of liabilities

On account of Section 303 (1) HGB, receivables and liabilities between companies included in the consolidated financial statements are eliminated during the course of debt consolidation.

Elimination of intercompany profit or loss

Assets included in the consolidated financial statements, which are based on supplies or services between the companies included in the consolidated financial statements, are recognised at group production cost. The Group's manufacturing costs include appropriate material and production overheads and are otherwise calculated using the same method that is uniformly used in the financial statements of the group companies. If intercompany trade profits or losses are realised between companies included in the consolidated financial statements, then these were determined and eliminated pursuant to Section 304 (1) HGB for the purpose of the consolidated financial statements.

The elimination of intercompany profits and losses led to a KEUR -141 change in the Group's earnings as at 31 December 2018 (PY: KEUR +266).

Consolidation measures in the consolidated income statement

Both revenue and other trade income between consolidated companies are set off in the consolidated income statement against expenses attributable to them with respect to recipients of goods and services.

F. Disclosures and explanatory notes on the consolidated balance sheet

1. Fixed assets

The movements in fixed assets during the financial year between 1 January 2018 and 31 December 2018 as well as the breakdown of the individual items are presented in the statement of movements in fixed assets (appendix to the notes).

Intangible assets include purchased property rights and IT software as well as internally generated intangible assets (capitalised development services for software) and goodwill. KEUR 1,395 in internally developed intangible fixed assets were capitalised in the year under review. (PY: KEUR 1,328). Overall, R&D expenses were incurred in the amount of KEUR 1,395 (PY: KEUR 1,328) in the form of personnel expenses and directly allocable overheads for rent, the IT infrastructure and administration.

Purchased property rights include property rights acquired as part of purchase and transfer agreements along with other acquired rights.

Additions in 2018 to fixed assets mainly included investments in internally generated intangible assets, IT software and IT infrastructure.

2. Current assets

Receivables and other assets are as follows:

KEUR	Financial year	thereof due after more than one year	Prior year	thereof due after more than one year
Trade receivables	4,940	0	4,590	0
Other assets	109	38	30	30
	5,049	8	4,620	9

'Other assets' does not include any larger amounts that are not legally incurred until after the reporting date.

Deferred taxes

The Company does not report any deferred tax assets. Deferred tax assets were offset against deferred tax liabilities – to the extent permissible and if they arose in the same tax office (Germany, UK, USA and France).

Deferred tax assets were recognised on tax loss carryforwards up to the amount of the net excess over deferred tax liabilities on temporary differences. The excess amount was written down because the usability of loss carryforwards in the next five years cannot be reliably estimated.

Temporary differences between the values stated for intangible assets and goodwill in the commercial and tax balance sheets resulted in deferred tax liabilities as of the balance sheet date, whereas deferred tax assets result from other provisions and items denominated in foreign currencies.

Consolidation measures pursuant to Section 306 HGB triggered deferred taxes. This is not reported due to lacking evidence of its usage.

The company-specific tax rates of the EXASOL single entities are used to calculate deferred taxes. In this regard, the German companies used a tax rate of 32.17%, EXASOL UK Ltd. 19%, EXASOL USA Inc. 21% and EXASOL France S.A.S. 31%.

3. Equity

(1) Subscribed capital

	1 Jan. 2018	Increase	Decrease	31 Dec. 2018
	EUR	EUR	EUR	EUR
Original capital	86,950	---	---	86,950
Capital increase	15,567,050	---	---	15,567,050

Share capital	15,654,000	---	---	15,654,000

(2) Capital reserve

	1 Jan. 2018	Increase	Decrease	31 Dec. 2018
	EUR	EUR	EUR	EUR
Offering premium arising from capital increase	12,955,733	---	---	12,955,733
Other additional payments	---	---	---	---
	12,955,733	---	---	12,955,733

4. Other provisions

The other provisions mainly include provisions for bonuses and commissions (KEUR 426; PY: KEUR 616), personnel expenses (KEUR 407; PY: KEUR 307), external year-end closing expenses (KEUR 201, PY: KEUR 38) and litigation (KEUR 181; PY: KEUR 181). Furthermore, provisions were recognised for archiving expenses and outstanding invoices.

5. Liabilities

The remaining terms of liabilities are as follows:

KEUR	Aggregate amount in financial year	thereof due up to one year	between one and five years	more than 5 years
to banks	1,384	1,256	128	0
	(PY: 704)	(PY: 692)	(PY: 12)	(PY: 0)
Trade payables	966	680	286	0
	(PY: 833)	(PY: 766)	(PY: 67)	(PY: 0)
Other liabilities	12,809	1,613	11,196	0
	(PY: 11,772)	(PY: 969)	(PY: 10,803)	(PY: 0)
	15,159	3,549	11,610	0
	(PY: 13,309)	(PY: 2,427)	(PY: 10,882)	(PY: 0)

Other liabilities include liabilities to shareholders of KEUR 11,983 (PY: KEUR 10,803).

None of the liabilities are securitised.

G. Disclosures and explanatory notes on the consolidated income statement

1. Revenue

Revenue is broken down as follows:

	2018	2018	2017	2017
By activity:	**KEUR**	**%**	**KEUR**	**%**
Licenses	12,679	72	12,133	71
Services	4,802	27	4,569	27
Other income	233	1	270	2
Total	**17,714**	**100**	**16,972**	**100**

	2018	2018	2017	2017
By region	**KEUR**	**%**	**KEUR**	**%**
Germany, Austria, Switzerland	12,583	71	12,813	76
Rest of Europe (excluding the UK)	2,222	13	1,612	9
United Kingdom	1,255	7	1,297	8
Region America	1,654	9	1,250	7
Total	**17,714**	**100**	**16,972**	**100**

2. Other operating income

There are no items of exceptional incidence or amount.

Income relating to other periods in the amount of KEUR 2 (PY: KEUR 158) mainly relates to reversals of provisions.

3. Other operating expenses

There are no items of exceptional incidence or amount.

4. Income taxes

Taxes on income include the current income tax expense of KEUR 3 (PY: KEUR 10).

H. Contingencies and other financial obligations

1. Contingent liabilities pursuant to Section 251 HGB

There were no contingent liabilities in accordance with Section 251 HGB.

2. Off-balance sheet transactions

Material off-balance sheet transactions exist in terms of real estate rental agreements for business office space as well as leases for server capacity. This approach helps to reduce capital tie-up and means that the investment risk is borne by the lessor. Refer to the information on other financial obligations for more information.

3. Other financial obligations

Type of obligation	Payable within 1 year KEUR	Total KEUR
Rent for offices	801	2,866
Rents and leases for office equipment	379	677
	1,180	3,543

The underlying agreements for the business premises have terms of two to nine years. The remaining terms for the leased office equipment are between one and three years. Other financial obligations amounted to KEUR 3,438 as at the reporting date.

I. Other disclosures

1. Number of employees

	2018
Administration/Sales/Marketing	52
R&D/Cloud/Services	56
Total	**109**
Thereof Executive Board:	3

Part-time staff are counted per head and not presented on a full-time equivalent basis.

2. Executive Board

Members of the Executive Board in financial year 2018:

Aaron Auld, CEO, Munich

Mathias Golombek, CTO, Ottensoos

Michael Konrad, CFO, Karlsruhe

The above Executive Board members continued to be appointed on the date the consolidated financial statements were prepared.

The total remuneration paid to the Executive Board is not disclosed as provided for under Section 314 (3) sentence 2 in conjunction with Section 286 (4) HGB (exemption clause).

3. Supervisory Board

Members of the Supervisory Board in financial year 2018:

Prof. h.c. Jochen Tschunke, corporate consultant, Munich

Gerhard Rumpff, corporate consultant, Munich

Dr Knud Klingler, corporate consultant, Engerwitzdorf, Austria

Karl Hopfner, corporate consultant, Oberhaching (since June 2018)

The total remuneration paid to the Supervisory Board amounted to KEUR 67 in the financial year.

4. Auditor's fee

The total fee of KEUR 211 charged by the auditor of the consolidated financial statements for the financial year under review is comprised as follows:

Activity	**KEUR**
Audit services	204
Other assurance services	0
Tax advisory services	7
Other services	0
	211

5. Proposal on the appropriation of profit

The Executive Board proposes that EXASOL AG's net income for the year of EUR 229,608.03 be carried forward to the following year.

J. Information on the cash flow statement

The cash flow statement was prepared in accordance with GAS 21.

Cash and cash equivalents consist of "cash at bank", "cash on hand" and overdraft bank facilities within "liabilities to banks".

Material non-cash expense and income largely included the reversal of prior year's amounts for deferred tax assets (KEUR 240; PY: KEUR 151) and deferred tax liabilities (KEUR 3,437; PY: KEUR 4,268) as well as retained interest (under interest expenses/income: KEUR 465; PY: KEUR 420).

K. Subsequent events

EXASOL AG is currently in the process of going public, which should take place at the beginning of 2020. The Company's annual general meeting resolved on 5 December 2019 to increase the Company's share capital by EUR 1,463,870.00 from currently EUR 15,645,000.00 to EUR 17,117,870.00 by issuing 1,463,870 new no-par value registered shares with profit participation starting 1 January 2019. The registered no-par-value shares have been paid in full according to their respective issue amounts. The statutory subscription rights of shareholders are excluded. RMV GmbH, Nuremberg, and Tschunke Beteiligungs GbR, Munich, have transferred the loan receivables stated in the capital increase resolution to Exasol AG in return for taking over the shares. Furthermore – subject to the condition precedent that the aforementioned new no par value shares are registered – new authorised capital was created. In this regard, the Executive Board was authorised, with the approval of the Supervisory Board, to raise Exasol AG's share capital one or multiple times by 4 December 2024 up to a total of EUR 8,558,935.00 against cash and/or non-cash contributions by issuing up to 8,558,935 new no-par value registered shares and, in the process, also decide on the exclusion of shareholders' subscription rights. There were no further reportable events subsequent to the reporting date.

Nuremberg, 10 January 2020

EXASOL AG

- Executive Board -

Aaron Auld

Mathias Golombek

Michael Konrad

Movements in the Group's fixed assets during financial year 2018

	Cost				Accumulated amortisation, depreciation and write-downs				Book value	
	1 Jan. 2018	Additions	Disposals	31 Dec. 2018	1 Jan. 2018	Amortisation, depreciation and write-downs during the financial year	Disposals	31 Dec. 2018	31 Dec. 2018	31 Dec. 2017
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
I. Intangible assets										
1. Internally generated industrial property rights and similar rights and assets	8,791,685.34	1,394,626.91	0.00	10,186,312.25	5,354,190.13	1,044,378.25	0.00	6,398,568.38	3,787,743.87	3,437,495.21
2. Concessions, industrial property rights and similar rights and assets acquired for a consideration	8,886,787.60	26,355.76	0.00	8,913,143.36	6,888,003.60	45,552.76	0.00	6,933,556.36	1,979,587.00	1,998,784.00
3. Goodwill	7,294,411.04	0.00	0.00	7,294,411.04	5,835,894.04	486,172.00	0.00	6,322,066.04	972,345.00	1,458,517.00
	24,972,883.98	**1,420,982.67**	**0.00**	**26,393,866.65**	**18,078,087.77**	**1,576,103.01**	**0.00**	**19,654,190.78**	**6,739,675.87**	**6,894,796.21**
II. Property, plant and equipment										
Other equipment, operating and office equipment	**1,532,702.53**	**647,178.08**	**72,432.09**	**2,107,448.52**	**1,239,059.53**	**291,712.08**	**72,432.09**	**1,458,339.52**	**649,109.00**	**293,643.00**
	26,505,586.51	**2,068,160.75**	**72,432.09**	**28,501,315.17**	**19,317,147.30**	**1,867,815.09**	**72,432.09**	**21,112,530.30**	**7,388,784.87**	**7,188,439.21**

Independent Auditor's Report

The below auditor's report and financial statements referred to are both translations of the respective German-language documents.

To EXASOL AG, Nuremberg

Audit Opinion

We have audited the consolidated financial statements of EXASOL AG, Nuremberg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2018, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2018, and notes to the consolidated financial statements, including the accounting policies presented therein.

In our opinion, based on the findings of our audit, the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2018 and of its financial performance for the financial year from 1 January to 31 December 2018, in compliance with German Legally Required Accounting Principles.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for preparing the consolidated financial statements.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misrepresentations can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

– Obtain an understanding of internal control relevant to the audit of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

– Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nuremberg, 10 January 2020

KPMG AG

Wirtschaftsprüfungsgesellschaft

signed Dr Schroff	signed Medick
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

11.6. Historical financial information of Exasol AG

The below-referenced auditor's reports, financial statements, cash flow statement and statement of changes in equity are translations of the respective German-language documents.

11.6.1. Financial Statements of Exasol AG prepared in accordance with HGB for the financial year ended 31 December 2019 (audited)

Balance sheet as at 31 December 2019

Assets

			31 Dec. 2019	31 Dec. 2018
			EUR	**EUR**
A.	**Fixed assets**			
	I.	**Intangible assets**	9,021,980.94	7,585,228.00
	II.	**Property, plant and equipment**	58,170.00	53,774.00
	III.	**Financial assets**	8,092,370.43	8,092,370.43
			17,172,521.37	**15,731,372.43**
B.	**Current assets**			
	I.	**Receivables and other assets**	6,707,569.41	6,630,920.24
	II.	**Cash and cash equivalents**	69,388.97	176,777.71
			6,776,958.38	**6,807,697.95**
C.	**Prepaid expenses**		**107,577.78**	**203,469.52**
			24,057,057.53	**22,742,539.90**

Equity and liabilities

			31 Dec. 2019	31 Dec. 2019	31 Dec. 2018	31 Dec. 2018
			EUR	EUR	EUR	EUR
A.	**Equity**					
I.	**Issued capital**					
	1.	Subscribed capital	15,654,000.00		15,654,000.00	
	2.	Nominal value of own shares	-502,127.00	15,151,873.00	0,00	15,654,000.00
II.	**Capital reserve**			13,457,859.97		12,955,732.97
III.	**Accumulated losses brought forward**			-21,547,375.39		-21,777,073.42
IV.	**Net income for the year**			-6,436,086.15		229,698.03
				626,271.43		**7,062,357.58**
B.	**Contributions made to implement the resolved capital increase**			**8,490,449.51**		**0.00**
C.	**Provisions**			**8,326,635.74**		**839,404.00**
D.	**Liabilities**			**6,604,013.49**		**14,805,185.11**
E.	**Deferred income**			**9,687.36**		**35,593.21**
				24,057,057.53		**22,742,539.90**

Income statement for the period

from 1 January to 31 December 2019

		2019		2018	
		EUR	EUR	EUR	EUR
1.	Gross profit		14,835,056.73		10,630,379.39
2.	Personnel expenses				
	a) Wages and salaries	-7,853,838.11		-1,318,728.48	
	b) Social security	-57,375.51	-7,911,213.62	-138,987.61	-1,457,716.09
3.	Amortisation of intangible assets and depreciation of property, plant and equipment		-2,168,121.87		-1,784,759.80
4.	Other operating expenses - thereof from currency translation: EUR -16,702.94 (PY: EUR -10,618.40) -		-10,812,985.95		-6,976,367.56
5.	Other interest and similar income - thereof from affiliated companies: EUR 332,117.85 (PY: EUR 332,117.85) -		332,117.85		332,117.85
6.	Interest and similar expenses		-669,306.29		-512,419.76
7.	Income taxes		-40,000.00		0.00
8.	**Earnings after taxes**		**-6,434,453.15**		**231,234.03**
9.	Other taxes		-1,633.00		-1,536.00
10.	**Net income for the year**		**-6,436,086.15**		**229,698.03**
11.	Accumulated deficit brought forward from prior year		-21,547,375,39		-21,777,073.42
12.	**Accumulated deficit**		**-27,983,461.54**		**-21,547,375.39**

Notes to the financial statements for financial year 2019

A. General information and explanatory notes

(1) EXASOL AG is based in Nuremberg and listed in the commercial register of Nuremberg District Court (register file number HRB 23037).

(2) The financial statements have been prepared in accordance with the general recognition and valuation requirements set out in Sections 246 to 256 HGB and by taking account of the special recognition, valuation and classification requirements applicable to corporations (Sections 264 to 274 HGB); they are presented in euros. The income statement has been prepared using the nature of expense method.

The Company meets the criteria of a small corporation as defined by Section 267 (1) HGB.

With respect to the disclosures in the notes, the Company makes partial use of the disclosure relief for small corporations set out under Sections 274a, 276 and 288 HGB.

Assets and liabilities are presented also in compliance with the recognition and valuation requirements for tax purposes if and to the extent that this is permissible in accordance with commercial law.

(3) The assets and liabilities were measured under the assumption that the Company is able to continue as a going concern. The Exasol AG may be exposed to liquidity risks resulting from seasonal fluctuations in Exasol's business activities – especially also with regards to their subsidiaries. Exasol's business activities are subject to seasonal fluctuations. In general, incoming orders are declining in the third calendar quarter, as many decision-makers are on vacation during the summer months. Although order volumes generally increase in the fourth calendar quarter as many companies have to spend their IT budgets, payments for these orders are usually not received until the beginning of the next year. In addition, income from regular subscriptions is usually generated at the beginning of a calendar year. As a result, the Exasol Group may have limited liquidity at the end of a calendar year and is exposed to the risk of not being able to meet its financial obligations in full and/or on the due dates. This could have material adverse effects on the business and the results of operations as well as earnings and financial position.

(4) Fixed assets are stated at cost less amortisation and depreciation. No impairment losses or extraordinary write-downs for tax purposes were recognised. Internally generated intangible fixed assets were recognised and valued in accordance with Section 248 (2) and Section 255 (2a) HGB. These assets are written down over five years. Recognised goodwill is amortised over its useful life of 15 years, as such a useful life seems adequate in view of the business model and expected cash flows.

Any low-value assets acquired at a cost of EUR 800,00 or less are written down in full in the year of acquisition. This has no impact on the transparency of the Company's assets, liabilities, financial position and financial performance.

(5) Receivables and other assets are stated at nominal value. A general bad debt provision has been recognised for general credit risk and the costs usually incurred in connection with delayed payment. Specific bad debt provisions have been made for all discernible individual risks.

(6) Cash and cash equivalents are recognised at nominal value.

(7) Tax provisions as well as other provisions are recognised at the settlement amount deemed necessary based on sound business judgment and take account of all identifiable risks. Provisions with a remaining term of more than one year are discounted in accordance with legal requirements.

(8) Liabilities are stated at their settlement amounts.

(9) Items denominated in foreign currency are stated at the official mid-market rates as at the reporting date in accordance with the recognition-of-loss principle.

(10) Prepayments and deferred income include receipts or expenditures prior to the reporting date that represent income or expenses after the reporting date.

B. Disclosures and explanatory notes to the balance sheet

1. Fixed assets

The Company has ownership interests in companies in which the investments held serve to establish a permanent affiliation:

The Company holds all the shares in EXASOL Vertriebsholding GmbH based in Berlin. The subsidiary's equity amounted to KEUR 0 as at 31 December 2019, with net income for 2019 of KEUR -311.

2. Current assets

Receivables and other assets are as follows:

EUR	Financial year	thereof due after more than one year	Prior year	thereof due after more than one year
Trade receivables	0	0	0	0
Receivables from affiliated companies	6,377,026	0	6,425,584	0
Other assets	330,453	20,382	205,337	20,382
	6,707,569	20,382	6,630,921	20,382

'Other assets' include EUR 308,313 (PY: EUR 172,329) receivables from affiliated companies. 'Other assets' does not include any larger amounts that are not legally incurred until after the reporting date.

3. Equity

(1) Subscribed capital

	1 January 2019 EUR	Increase EUR	Decrease EUR	31 December 2019 EUR
Original capital	86,950	---	---	86,950
Capital increase	15,567,050	---	---	15,567,050
Share capital	15,654,000	---	---	15,654,000

On 5 December 2019, an extraordinary general shareholder meeting resolved to increase the share capital against contribution in kind. The share capital will be increased by EUR 1,463,870 from EUR 15,654,000 to EUR 17,117,870 by issuing 1,463,870 new registered no-par value shares with a nominal value of EUR 1.00 per share. This was registered with the Nuremberg Local Court on February 6, 2020.

(2) Capital reserve

	1 January 2019 EUR	Increase EUR	Decrease EUR	31 December 2019

				EUR
Offering premium arising from capital increase	12,955,733	---	---	12,955,733
Other additional payments	---	502,127	---	502,127-
	12,955,733	502,127	---	13,457,860

(3) Treasury stock

As of the balance sheet date, the Company held a total of 502,127 treasury shares, which were contributed by the shareholders free of charge in December 2019 and represent EUR 502,127 (3.21%) of the share capital. The company is obliged to return the no-par value shares if no IPO is carried out by December 31, 2020.

(4) Authorized capital

On 5 December 2019, an extraordinary general shareholder meeting resolved authorized capital. The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions on or before 4 December 2024 by up to EUR 8,558,935.00 against cash and/or contributions in-kind by issuing up to 8,558,935 new no-par value registered shares ("Authorized Capital 2019/I"). The Authorized Capital 2019/I was registered with the commercial register of the Company on 6 February 2020.

(5) Conditional Capital

By resolution of the Company's extraordinary general shareholders' meeting held on 5 December 2019, the registered share capital of the Company was conditionally increased by up to EUR 6,200,000.00 by issuing up to 6,200,000 new registered shares with no-par value (Conditional Capital 2019/I). The conditional capital is limited until the end of 4 December 2024. The Conditional Capital 2019/I was registered with the commercial register of the Company on 6 February 2020.

4. Liabilities

The remaining terms of liabilities are as follows:

EUR	Aggregate amount in financial year	thereof due within one year	between one and five years	after more than five years
to banks	2,081,954 (PY: 1,206,959)	2,081,954 (PY: 1,206,959)	0 (PY: 0)	0 (PY: 0)
Trade payables	527,014 (PY: 143,986)	527,014 (PY: 143,986)	0 (PY: 0)	0 (PY: 0)
to affiliated companies	798,209 (PY: 332,534)	798,209 (PY: 332,534)	0 (PY: 0)	0 (PY: 0)
to shareholders	3,140,166 (PY: 11,982,728)	3,140,166 (PY: 788,186)	0 (PY: 11,194,542)	0 (PY: 0)
Other liabilities	56,670 (PY: 1,138,978)	56,670 (PY: 1,138,978)	0 (PY: 0)	0 (PY: 0)
	6,604,013 (PY: 14,805,185)	6,604,013 (PY: 3,610,643)	0 (PY: 11,194,542)	0 (PY: 0)

None of the liabilities are securitised.

C. Disclosures and explanatory notes to the income statement

1. Other operating income

Other operating income includes foreign currency translation gains in the amount of EUR 7,183 (PY: EUR 906).

2. Other operating expenses

Other operating expenses include foreign currency translation expenses in the amount of EUR 16,703 (PY: EUR 10,618).

D. Contingencies and other financial obligations

1. Contingent liabilities pursuant to Section 251 HGB

There were no contingent liabilities in accordance with Section 251 HGB.

2. Other financial obligations

Type of obligation	Annual amounts from 2020 EUR
Rent for offices	327,210
Rents and leases for office equipment	26,122
	353,332

E. Other disclosures

1. Average number of employees

	Financial year	Prior year
Total	0	8
Executive board members	3	3

Part-time staff are counted per head and not presented on a full-time equivalent basis.

2. Executive Board

Members of the Executive Board in financial year 2019:

Aaron Auld, CEO, Munich

Mathias Golombek, CTO, Ottensoos

Michael Konrad, CFO, Karlsruhe

The above executive board members continued to be appointed on the date the financial statements were prepared.

3. Supervisory Board

Members of the Supervisory Board in financial year 2019:

Prof. h.c. Jochen Tschunke, corporate consultant, Munich

Gerhard Rumpff, corporate consultant, Munich

Dr Knud Klingler, corporate consultant, Engerwitzdorf, Austria

Karl Hopfner, corporate consultant, Oberhaching

4. Proposal for the appropriation of profits

The Executive Board proposes that the net income for the year of EUR 6,436,086.15 be carried forward to the following year.

E. Subsequent events

The coronavirus has been spreading worldwide since January 2020 and has also had extensive effects in Germany since March 2020. The preliminary business climate index of the ifo Institute has fallen from 96.0 % in February 2020 to 86.1 % in March 2020. The German government is also currently assuming recessionary economic development for 2020.

For Exasol AG, we therefore assume that the willingness of customers and potential new customers to invest will be temporarily restrained, especially in the first half of 2020. In order to counteract the potential effects, the company has now taken a package of cost-cutting measures (short-time working, hiring freeze, reduction of material costs, etc.) to offset the potential negative financial impact.

On 20 April 2020, a further shareholder loan of KEUR 1,200 to EXASOL AG was approved. The loan has a term until 27 April 2021 and bears interest at 8% p.a.

There were no other reportable events after the balance sheet date.

Nuremberg, 13 May 2020

EXASOL AG

- The Managment Board (*Vorstand*) -

Aaron Auld

Exasol AG

Mathias Golombek

Michael Konrad

Independent Auditor's Report

The below auditor's report and financial statements referred to are both translations of the respective German-language documents.

To EXASOL AG, Nuremberg

Opinion

We have audited the annual financial statements of EXASOL AG, Nuremberg, which comprise the balance sheet as at 31 December 2019 and the income statement for the financial year from 1 January to 31 December 2019 and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2019, and of its financial performance for the financial year from January 1 to December 31, 2019, in accordance with German Legally Required Accounting Principles.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for Opinion

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

– Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

– Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may mean that the Company is no longer a going concern.

– Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nuremberg, 13 May 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Dr. Schroff	Medick
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

11.6.2. Financial Statements of Exasol AG prepared in accordance with HGB for the financial year ended 31 December 2018 (audited)

Balance sheet as at 31 December 2018

A s s e t s

			31 Dec. 2018	31 Dec. 2017
			EUR	**EUR**
A.	**Fixed assets**			
	I.	**Intangible assets**	7,585,228.00	7,004,531.63
	II.	**Property, plant and equipment**	53,774.00	54,401.00
	III.	**Financial assets**	8,092,370.43	8,092,370.43
			15,731,372.43	**15,151,303.06**
B.	**Current assets**			
	I.	**Receivables and other assets**	6,630,920.24	5,398,274.51
	II.	**Cash and cash equivalents**	176,777.71	203,401.12
			6,807,697.95	**5,601,675.63**
C.	**Prepaid expenses**		**203,469.52**	**48,221.50**
			22,742,539.90	**20,801,200.19**

Equity and liabilities

		31 Dec. 2018	31 Dec. 2017
		EUR	EUR
A.	**Equity**		
I.	**Subscribed capital**	15,654,000.00	15,654,000.00
II.	**Capital reserve**	12,955,732.97	12,955,732.97
III.	**Accumulated losses brought forward**	-21,777,073.42	-22,118,778.66
IV.	**Net income for the year**	229,698.03	341,705.24
		7,062,357.58	**6,832,659.55**
B.	**Provisions**	**839,404.00**	**941,508.23**
C.	**Liabilities**	**14,805,185.11**	**12,912,393.38**
D.	**Deferred income**	**35,593.21**	**114,639.03**
		22,742,539.90	**20,801,200.19**

Income statement for the period

from 1 January to 31 December 2018

			2018		2017	
			EUR	EUR	EUR	EUR
1.	Gross profit			10,630,379.39		7,376,334.11
2.	Personnel expenses					
	a)	Wages and salaries	-1,318,728.48		-2,274,598.05	
	b)	Social security	-138,987.61	-1,457,716.09	-350,287.77	-2,624,885.82
3.	Amortisation of intangible assets and depreciation of property, plant and equipment			-1,784,759.80		-1,539,819.58
4.	Other operating expenses - thereof from currency translation: EUR -10,618.40 (PY: EUR -7,648.72) -			-6,976,367.56		-2,701,015.48
5.	Other interest and similar income - thereof from affiliated companies: EUR 332,117.85 (PY: EUR 363,426.70) -			332,117.85		363,428.13
6.	Interest and similar expenses			-512,419.76		-522,327.35
7.	Income taxes			0.00		-8,688.77
8.	**Earnings after taxes**			**231,234.03**		**343,025.24**
9.	Other taxes			-1,536.00		-1,320.00
10.	**Net income for the year**			**229,698.03**		**341,705.24**
11.	Accumulated deficit brought forward from prior year			-21,777,073.42		-22,118,778.66
12.	**Accumulated deficit**			**-21,547,375.39**		**-21,777,073.42**

Notes to the financial statements for financial year 2018

A. General information and explanatory notes

(1) EXASOL AG is based in Nuremberg and listed in the commercial register of Nuremberg District Court (register file number HRB 23037).

(2) The financial statements have been prepared in accordance with the general recognition and valuation requirements set out in Sections 246 to 256 HGB and by taking account of the special recognition, valuation and classification requirements applicable to corporations (Sections 264 to 274 HGB); they are presented in euros. The income statement has been prepared using the nature of expense method.

The Company meets the criteria of a small corporation as defined by Section 267 (1) HGB.

With respect to the disclosures in the notes, the Company makes partial use of the disclosure relief for small corporations set out under Sections 274a, 276 and 288 HGB.

Assets and liabilities are presented also in compliance with the recognition and valuation requirements for tax purposes if and to the extent that this is permissible in accordance with commercial law.

(3) Fixed assets are stated at cost less amortisation and depreciation. No impairment losses or extraordinary write-downs for tax purposes were recognised. Internally generated intangible fixed assets were recognised and valued in accordance with Section 248 (2) and Section 255 (2a) HGB. These assets are written down over five years. Recognised goodwill is amortised over its useful life of 15 years, as such a useful life seems adequate in view of the business model and expected cash flows.

Any low-value assets acquired at a cost of EUR 800.00 or less are written down in full in the year of acquisition. This has no impact on the transparency of the Company's assets, liabilities, financial position and financial performance.

(4) Receivables and other assets are stated at nominal value. A general bad debt provision has been recognised for general credit risk and the costs usually incurred in connection with delayed payment. Specific bad debt provisions have been made for all discernible individual risks.

(5) Cash and cash equivalents are recognised at nominal value.

(6) Tax provisions as well as other provisions are recognised at the settlement amount deemed necessary based on sound business judgment and take account of all identifiable risks. Provisions with a remaining term of more than one year are discounted in accordance with legal requirements.

(7) Liabilities are stated at their settlement amounts.

(8) Items denominated in foreign currency are stated at the official mid-market rates as at the reporting date in accordance with the recognition-of-loss principle.

(9) Prepayments and deferred income include receipts or expenditures prior to the reporting date that represent income or expenses after the reporting date.

B. Disclosures and explanatory notes to the balance sheet

1. Fixed assets

The Company has ownership interests in companies in which the investments held serve to establish a permanent affiliation:

The Company holds all the shares in EXASOL Vertriebsholding GmbH based in Berlin. The subsidiary's equity amounted to KEUR 60 as at 31 December 2018, with net income for 2018 of KEUR 10 (KEUR: thousand euros).

2. Current assets

Receivables and other assets are as follows:

EUR	Financial year	thereof due after more than one year	Prior year	thereof due after more than one year
Trade receivables	0	0	43,345	0
Receivables from affiliated companies	6,597,913	0	5,332,938	0
Other assets	33,008	20,382	21,991	20,382
	6,630,921	20,382	5,398,275	20,382

'Other assets' does not include any larger amounts that are not legally incurred until after the reporting date.

3. Equity

(1) Subscribed capital

	1 January 2018 EUR	Increase EUR	Decrease EUR	31 December 2018 EUR
Original capital	86,950	---	---	86,950
Capital increase	15,567,050	---	---	15,567,050
Share capital	15,654,000	---	---	15,654,000

(2) Capital reserve

	1 January 2018 EUR	Increase EUR	Decrease EUR	31 December 2018 EUR
Offering premium arising from capital increase	12,955,733	---	---	12,955,733
Other additional payments	---	---	---	---
	12,955,733	---	---	12,955,733

4. Liabilities

The remaining terms of liabilities are as follows:

EUR	Aggregate amount in financial year	thereof due within one year	between one and five years	after more than five years
to banks	1,206,959 (PY: 667,513)	1,206,959 (PY: 667,513)	0 (PY: 0)	0 (PY: 0)
Trade payables	143,986 (PY: 329,766)	143,986 (PY: 329,766)	0 (PY: 0)	0 (PY: 0)
to affiliated companies	332,534 (PY: 178,474)	332,534 (PY: 178,474)	0 (PY: 0)	0 (PY: 0)
to shareholders (included in other liabilities)	11,982,728 (PY: 10,802,961)	788,186 (PY: 0)	11,194,542 (PY:10,802,961)	0 (PY: 0)
Other liabilities	1,138,978 (PY: 933,679)	1,138,978 (PY: 933,679)	0 (PY: 0)	0 (PY: 0)
	14,805,185 (PY: 12,912,393)	3,610,643 (PY: 2,109,432)	11,194,542 (PY:10,802,961)	0 (PY: 0)

None of the liabilities are securitised.

C. Disclosures and explanatory notes to the income statement

1. Other operating income

Other operating income includes foreign currency translation gains in the amount of EUR 906 (PY: EUR 1,468).

2. Other operating expenses

Other operating expenses include foreign currency translation expenses in the amount of EUR 10,618 (PY: EUR 7,649).

D. Contingencies and other financial obligations

1. Contingent liabilities pursuant to Section 251 HGB

There were no contingent liabilities in accordance with Section 251 HGB.

2. Other financial obligations

Type of obligation	Annual amounts from 2019 EUR
Rent for offices	352,688
Rents and leases for office equipment	37,085
	389,773

E. Other disclosures

1. Average number of employees

	Financial year	Prior year
Total	8	29
Executive board members	3	3

Part-time staff are counted per head and not presented on a full-time equivalent basis.

2. Executive Board

Members of the Executive Board in financial year 2018:

Aaron Auld, CEO, Munich

Mathias Golombek, CTO, Ottensoos

Michael Konrad, CFO, Karlsruhe

The above executive board members continued to be appointed on the date the financial statements were prepared.

3. Supervisory Board

Members of the Supervisory Board in financial year 2018:

Prof. h.c. Jochen Tschunke, corporate consultant, Munich

Gerhard Rumpff, corporate consultant, Munich

Dr Knud Klingler, corporate consultant, Engerwitzdorf, Austria

Karl Hopfner, corporate consultant, Oberhaching (since June 2018)

4. Proposal for the appropriation of profits

The Executive Board proposes that the net income for the year of EUR 229,698 be carried forward to the following year.

F. Subsequent events

No reportable events have occurred subsequent to the reporting date.

Nuremberg, 29 May 2019

EXASOL AG

- Executive Board -

Aaron Auld

Mathias Golombek

Michael Konrad

Independent Auditor's Report

The below auditor's report and financial statements referred to are both translations of the respective German-language documents.

To EXASOL AG, Nuremberg

Opinion

We have audited the annual financial statements of EXASOL AG, Nuremberg, which comprise the balance sheet as at 31 December 2018 and the income statement for the financial year from 1 January to 31 December 2018 and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2018, and of its financial performance for the financial year from January 1 to December 31, 2018, in accordance with German Legally Required Accounting Principles.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for Opinion

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may mean that the Company is no longer a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nuremberg, 29 May 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Herr	Prof. Marx
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

11.6.3. Financial Statements of Exasol AG prepared in accordance with HGB for the financial year ended 31 December 2017 (audited)

Balance sheet as at 31 December 2017

A s s e t s

			31 Dec. 2017	31 Dec. 2016
			EUR	**EUR**
A.	**Fixed assets**			
	I.	**Intangible assets**	7,004,531.63	7,060,530.00
	II.	**Property, plant and equipment**	54,401.00	59,203.00
	III.	**Financial assets**	8,092,370.43	70,566.17
			15,151,303.06	**7,190,299.17**
B.	**Current assets**			
	I.	**Inventories**	0.00	81,992.00
	II.	**Receivables and other assets**	5,398,274.51	14,504,094.37
	III.	**Cash and cash equivalents**	203,401.12	2,347,508.34
			5,601,675.63	**16,933,594.71**
C.	**Prepaid expenses**		**48,221.50**	**175,511.44**
			20,801,200.19	**24,299,405.32**

Equity and liabilities

			31 Dec. 2017	31 Dec. 2016
			EUR	**EUR**
A.	**Equity**			
	I.	**Subscribed capital**	15,654,000.00	15,654,000.00
	II.	**Capital reserve**	12,955,732.97	12,955,732.97
	III.	**Accumulated losses brought forward**	-22,118,778.66	-22,615,329.66
	IV.	**Net income for the year**	341,705.24	496,551.00
			6,832,659.55	**6,490,954.31**
B.	**Provisions**		**941,508.23**	**915,054.78**
C.	**Liabilities**		**12,912,393.38**	**15,870,873.75**
D.	**Deferred income**		**114,639.03**	**1,022,522.48**
			20,801,200.19	**24,299,405.32**

Income statement for the period

from 1 January to 31 December 2017

		2017		2016	
		EUR	**EUR**	**EUR**	**EUR**
1.	Gross profit		7,376,334.11		7,358,586.18
2.	Personnel expenses				
	a) Wages and salaries	-2,274,598.05		-2,300,515.87	
	b) Social security	-350,287.77	-2,624,885.82	-310,432.86	-2,610,948.73
3.	Amortisation of intangible assets and depreciation of property, plant and equipment		-1,539,819.58		-1,439,783.79
4.	Other operating expenses - thereof from currency translation: EUR -7,648.72 (PY: EUR -5,711.39) -		-2,701,015.48		-2,744,566.19
5.	Other interest and similar income - thereof from affiliated companies: EUR 363,426.70 (PY: EUR 572,961.86) -		363,428.13		573,482.06
6.	Interest and similar expenses		-522,327.35		-639,157.53
7.	Income taxes		-8,688.77		0.00
8.	**Earnings after taxes**		**343,025.24**		**497,612.00**
9.	Other taxes		-1,320.00		-1,061.00
10.	**Net income for the year**		**341,705.24**		**496,551.00**
11.	Accumulated losses brought forward		-22,118,778.66		-22,615,329.66
12.	**Accumulated deficit**		**-21,777,073.42**		**-22,118,778.66**

Notes to the financial statements for financial year 2017

A. General information and explanatory notes

(1) EXASOL AG is based in Nuremberg and listed in the commercial register of Nuremberg District Court (register file number HRB 23037).

(2) The financial statements have been prepared in accordance with the general recognition and valuation requirements set out in Sections 246 to 256 HGB and by taking account of the special recognition, valuation and classification requirements applicable to corporations (Sections 264 to 274 and 279 to 283 HGB); they are presented in euros. The income statement has been prepared using the nature of expense method.

The Company meets the criteria of a small corporation as defined by Section 267 (1) HGB.

With respect to the disclosures in the notes, the Company makes partial use of the disclosure relief for small corporations set out under Sections 274a, 276 and 288 HGB.

Assets and liabilities are presented also in compliance with the recognition and valuation requirements for tax purposes if and to the extent that this is permissible in accordance with commercial law. For deviations see item B.I (4).

(3) Fixed assets are stated at cost less amortisation and depreciation. No impairment losses or extraordinary write-downs for tax purposes were recognised. Internally generated intangible fixed assets were recognised and valued in accordance with Section 248 (2) and Section 255 (2a) HGB. These assets are written down over five years. Recognised goodwill is amortised over its useful life of 15 years.

Any low-value assets acquired at a cost of EUR 410.00 or less are written down in full in the year of acquisition. This has no impact on the transparency of the Company's assets, liabilities, financial position and financial performance.

(4) Inventories are valued at cost in strict compliance with the lower of cost or market principle.

(5) Receivables and other assets are stated at nominal value. A general bad debt provision has been recognised for general credit risk and the costs usually incurred in connection with delayed payment. Specific bad debt provisions have been made for all discernible individual risks.

(6) Cash and cash equivalents are recognised at nominal value.

(7) Tax provisions as well as other provisions are recognised at the settlement amount deemed necessary based on sound business judgment and take account of all identifiable risks. Provisions with a remaining term of more than one year are discounted in accordance with legal requirements.

(8) Liabilities are stated at their repayable amounts.

(9) Items denominated in foreign currency are stated at the official mid-market rates as at the reporting date in accordance with the recognition-of-loss principle.

(10) Prepayments and deferred income include receipts or expenditures prior to the reporting date that represent income or expenses after the reporting date.

B. Disclosures and explanatory notes to the balance sheet

1. Fixed assets

The Company has ownership interests in companies in which the investments held serve to establish a permanent affiliation:

The Company holds all the shares in EXASOL Vertriebsholding GmbH based in Berlin. The subsidiary's equity amounted to KEUR 50 as at 31 December 2017, with net income for 2017 of KEUR 19 (KEUR: thousand euros).

2. Current assets

Receivables and other assets are as follows:

EUR	Financial year	thereof due after more than one year	Prior year	thereof due after more than one year
Trade receivables	43,345	0	229,985	0
Receivables from affiliated companies	5,332,938	0	14,253,728	4,201,422
Other assets	21,991	20,382	20,382	20,382
	5,398,275	20,382	14,504,095	4,221,804

'Other assets' does not include any larger amounts that are not legally incurred until after the reporting date.

3. Equity

(1) Subscribed capital

	1 January 2017 EUR	Increase EUR	Decrease EUR	31 December 2017 EUR
Original capital	86,950	---	---	86,950
Capital increase	15,567,050	---	---	15,567,050
Share capital	15,654,000	---	---	15,654,000

(2) Capital reserve

	1 January 2017 EUR	Increase EUR	Decrease EUR	31 December 2017 EUR
Offering premium arising from capital increase	12,955,733	---	---	12,955,733
Other additional payments	---	---	---	---
	12,955,733	---	---	12,955,733

4. Liabilities

The remaining terms of liabilities are as follows:

EUR	Aggregate amount in financial year	thereof due within one year	between one and five years	after more than five years
to banks	667,513 (PY: 279,949)	667,513 (PY: 279,949)	0 (PY: 0)	0 (PY: 0)
Trade payables	329,766 (PY: 1,219,978)	329,766 (PY: 1,219,978)	0 (PY: 0)	0 (PY: 0)
to affiliated companies	178,474 (PY: 0)	178,474 (PY: 984,173)	0 (PY: 0)	0 (PY: 0)
to shareholders (included in other liabilities)	10,802,961 (PY: 11,359,489)	0 (PY: 984,173)	10,802,961 (PY: 95,250)	0 (PY: 10,280,066)
Other liabilities	933,679 (PY: 3,011,458)	933,679 (PY: 3,011,458)	0 (PY: 0)	0 (PY: 0)
	12,912,393 (PY: 15,870,874)	2,109,432 (PY: 5,495,558)	10,802,961 (PY: 95,250)	0 (PY: 10,280,066)

None of the liabilities are securitised.

C. Disclosures and explanatory notes to the income statement

1. Other operating income

Other operating income includes foreign currency translation gains in the amount of EUR 1,468 (PY: EUR 5,616).

D. Contingencies and other financial obligations

1. Contingent liabilities pursuant to Section 251 HGB

There were no contingent liabilities in accordance with Section 251 HGB.

2. Other financial liabilities

Type of obligation	Annual amounts from 2018 EUR
Rent for offices	259,764
Rents and leases for office equipment	29,568
	289,332

E. Other disclosures

1. Number of employees

	Financial year	Prior year
Total	29	33
Executive board members	3	3

Part-time staff are counted per head and not presented on a full-time equivalent basis.

2. Executive Board

Members of the Executive Board in financial year 2017:

Aaron Auld, CEO, Munich

Mathias Golombek, CTO, Ottensoos

Michael Konrad, CFO, Karlsruhe

The above executive board members continued to be appointed on the date the financial statements were prepared.

3. Supervisory Board

Members of the Supervisory Board in financial year 2017:

Prof. h.c. Jochen Tschunke, corporate consultant, Munich

Gerhard Rumpff, corporate consultant, Munich

Dr Knud Klingler, corporate consultant, Engerwitzdorf, Austria

4. Proposal for the appropriation of profits

The Executive Board proposes that the net income for the year of EUR 341,705 be carried forward to the following year.

E. Subsequent events

No reportable events have occurred subsequent to the reporting date.

Nuremberg, 10 April 2018

EXASOL AG

- Executive Board -

____

Aaron Auld

____

Mathias Golombek

Exasol AG

Michael Konrad

The following auditor's report, prepared in accordance with § 322 HGB ("*Handelsgesetzbuch*": "*German Commercial Code*"), refers to the complete financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the management report of the EXASOL AG for the financial year from 1 January to 31 December 2017. The management report is not included in this Prospectus. The below-mentioned auditor‘s report and financial statements are both translations of the respective German-language documents.

Auditor's Report

To EXASOL AG, Nuremberg

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of EXASOL AG, Nuremberg, for the financial year from 1 January to 31 December 2017. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary provisions of the articles of association are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code [HGB] and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and the provisions of the Company’s articles of association and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements, complies with the German statutory requirements, and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Nuremberg, 10 April 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Herr	Prof. Marx
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

11.6.4. Cash Flow Statement and Statement of Changes in Equity of Exasol AG prepared in accordance with HGB for the financial years ended 31 December 2019 and 31 December 2018 (unaudited)

Statement of cash flows for financial years 2019 and 2018

The following statement of cash flows has been prepared in accordance with DRS 21 (German Accounting Standard) and shows the liquidity situation and the financial development during the year:

	31 Dec. 2019	**31 Dec. 2018**
	EUR	**EUR**
Profit for the period (net income including share of profit of other shareholders)	-6,436,086.15	229,698.03
Amortisation, depreciation and write-downs on fixed assets	2,168,121.87	1,784,759.80
Increase/decrease in provisions	7,257,231.74	-102,104.23
Other non-cash expenses/income	167,876.31	-66,417.53
Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities	-48,242.42	-1,103,997.40
Increase/decrease in trade payables and other liabilities not related to investing or financing activities	-223,917.78	209,172.71
Interest expense/income	337,188.44	180,301.91
Income tax expense/income	40,000.00	0.00
Other operating income from grants	-24,431.40	-69,843.81
Income taxes paid	0.00	0.00
Cash flows from operating activities	**3,237,740.61**	**1,061,569.48**
Acquisition of intangible assets	-3,543,798.28	-2,308,555.92
Acquisition of property, plant and equipment	-65,472.53	-56,273.25
Interest received	196,133.32	0.00
Cash flows from investing activities	**-3,413,137.49**	**-2,364,829.17**
Proceeds from the issuance of bonds and from borrowings	0,00	750,000.00
Repayments of bonds and borrowings	-784,470.01	-36,189.83
Proceeds from subsidies/grants received	24,431.40	69,843.81
Interest paid	-46,948.29	-46,463.43
Cash flows from financing activities	**-806,986.90**	**737,190.55**
Net increase/decrease in cash and cash equivalents	-982,383.78	-566,069.14

Cash and cash equivalents at the beginning of the period	-1,030,181.04	-464,111.90
Cash and cash equivalents at the end of the period	**-2,012,564.82**	**-1,030,181.04**

	31 Dec. 2019	**31 Dec. 2018**
	EUR	**EUR**
Cash in hand	69,388.97	176,777.71
Cash at banks	-2,081,953.79	-1,206,958.75
	-2,012,564.82	**-1,030,181.04**

Other non-cash expenses and income result from changes in prepaid expenses and deferred income.

Statement of changes in equity for financial years 2019 and 2018

	Subscribed capital	**Own shares**	**Sum of subscribed capital**	**Capital reserve**	**Accumulated losses brought forward**	**Equity**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
As of 1 Jan. 2018	**15,654,000.00**	**0.00**	**15,654,000.00**	**12,955,732.97**	**-21,777,073.42**	**6,832,659.55**
Net income for the year	0.00	0.00	0.00	0.00	229,698.03	229,698.03
As of 31 Dec. 2018	**15,654,000.00**	**0.00**	**15,654,000.00**	**12,955,732.97**	**-21,547,375.39**	**7,062,357.58**
Purchase of own shares	0.00	-502,127.00	-502,127.00	502,127.00	0.00	0.00
Net income for the year	0.00	0.00	0.00	0.00	-6,436,086.15	-6,436,086.15
As of 31 Dec. 2019	**15,654,000.00**	**-502,127.00**	**15,151,873.00**	**13,457,859.97**	**-27,983,461.54**	**626,271.43**

Independent Auditor's Report

EXASOL AG

Neumeyerstr. 22-26

90411 Nuremberg

May 13, 2020

Independent Auditor's Report (*Bescheinigung*) on additional elements of the financial statements

The below auditor's report (Bescheinigung) and additional elements of the financial statements referred to are both translations of the respective German-language documents.

To EXASOL AG,

We have audited the statement of changes in equity and statement of cash flows for financial year 2019 derived from the annual financial statements for financial year 2019 as well as the underlying accounting records. The statement of changes in equity and statement of cash flows supplement the annual financial statement of EXASOL AG prepared in accordance with the provisions of German commercial law for financial year 2019.

The preparation of the statements of changes in equity and statement of cash flows for financial year 2019 and 208 in accordance with the provisions of German commercial law is the responsibility of the Company's management.

Our responsibility is to express an opinion as to whether the statement of changes in equity and statement of cash flows for financial year 2019 were properly derived from the annual financial statements and the underlying accounting records for financial year 2019 in accordance with the provisions of German commercial law based on our audit. The scope of our engagement did not include an audit of the underlying annual financial statements and accounting records.

We planned and performed our audit in accordance with IDW auditing standard PH 9.960.2 (Audit of Additional Elements of Financial Statements) promulgated by the German Institute of Public Accountants such that material misstatements in deriving the statements of equity and the statements of cash flows from the annual financial statements and the underlying accounting records are detected with reasonable assurance.

In our opinion, based on the findings of our audit, the statement of changes in equity and statement of cash flows for financial year 2019 were properly derived from the annual financial statements for financial year 2019 and the underlying accounting records in accordance with the provisions of German commercial law.

Yours sincerely,

KPMG AG

Wirtschaftsprüfungsgesellschaft

Dr. Schroff	Medick
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

11.6.5. Cash Flow Statement and Statement of Changes in Equity of Exasol AG prepared in accordance with HGB for the financial years ended 31 December 2018 and 31 December 2017 (unaudited)

Statement of cash flows for financial years 2018 and 2017

The following statement of cash flows has been prepared in accordance with DRS 21 (German Accounting Standard) and shows the liquidity situation and the financial development during the year:

	31 Dec. 2018	31 Dec. 2017
	EUR	EUR
Profit for the period (net income including share of profit of other shareholders)	229,698.03	341,705.24
Amortisation, depreciation and write-downs on fixed assets	1,784,759.80	1,539,819.58
Increase/decrease in provisions	-102,104.23	26,453.45
Other non-cash expenses/income	-66,417.53	-76,357.79
Increase/decrease in inventories, trade receivables and other assets not related to investing or financing activities	-1,103,997.40	1,289,414.80
Increase/decrease in trade payables and other liabilities not related to investing or financing activities	209,172.71	-1,029,010.14
Interest expense/income	180,301.91	158,899.22
Income tax expense/income	0.00	8,688.77
Other operating income from grants	-69,843.81	-222,013.50
Income taxes paid	0.00	-8,688.77
Cash flows from operating activities	**1,061,569.48**	**2,028,910.86**
Acquisition of intangible assets	-2,308,555.92	-1,449,453.31
Acquisition of property, plant and equipment	-56,273.25	-29,565.90
Interest received	0.00	1.43
Cash flows from investing activities	**-2,364,829.17**	**-1,479,017.78**
Proceeds from the issuance of bonds and from borrowings	750,000.00	0.00
Repayments of bonds and borrowings	-36,189.83	-3,201,183.30
Proceeds from subsidies/grants received	69,843.81	222,013.50
Interest paid	-46,463.43	-102,394.61
Cash flows from financing activities	**737,190.55**	**-3,081,564.41**
Net increase/decrease in cash and cash equivalents	-566,069.14	-2,531,671.33
Cash and cash equivalents at the beginning of the period	-464,111.90	2,067,559.43
Cash and cash equivalents at the end of the period	**-1,030,181.04**	**-464,111.90**

	31 Dec. 2018	31 Dec 2017
	EUR	**EUR**
Cash in hand	176,777.71	203,401.12
Cash at banks	-1,206,958.75	-667,513.02
	-1,030,181.04	**-464,111.90**

Other non-cash expenses and income result from changes in prepaid expenses and deferred income.

Statement of changes in equity for financial years 2018 and 2017

	Subscribed capital	Capital reserve	Accumulated losses brought forward	Equity
	EUR	**EUR**	**EUR**	**EUR**
As of 1 Jan. 2017	**15,654,000.00**	**12,955,732.97**	**-22,118,778.66**	**6,490,954.31**
Net income for the year	0.00	0.00	341,705.24	341,705.24
As of 31 Dec. 2017	**15,654,000.00**	**12,955,732.97**	**-21,777,073.42**	**6,832,659.55**
Net income for the year	0.00	0.00	229,698.03	229,698.03
As of 31 Dec. 2018	**15,654,000.00**	**12,955,732.97**	**-21,547,375.39**	**7,062,357.58**

Independent Auditor's Report

The below auditor's report (*Bescheinigung*) and additional elements of the financial statements referred to are both translations of the respective German-language documents.

EXASOL AG

Neumeyerstr. 22-26

90411 Nuremberg

January 10, 2020

Independent Auditor's Report (*Bescheinigung*) on additional elements of the financial statements

To EXASOL AG,

We have audited the statements of changes in equity and statements of cash flows for financial years 2017 and 2018 derived from the annual financial statements for financial years 2017 and 2018 as well as the underlying accounting records. The statements of changes in equity and statements of cash flows supplement the annual financial statements of EXASOL AG prepared in accordance with the provisions of German commercial law for financial years 2017 and 2018.

The preparation of the statements of changes in equity and statements of cash flows for financial years 2017 and 2018 in accordance with the provisions of German commercial law is the responsibility of the Company’s management.

Our responsibility is to express an opinion as to whether the statements of changes in equity and statements of cash flows for financial years 2017 and 2018 were properly derived from the annual financial statements and the underlying accounting records for financial years 2017 and 2018 in accordance with the provisions of German commercial law based on our audit. The scope of our engagement did not include an audit of the underlying annual financial statements and accounting records.

We planned and performed our audit in accordance with IDW auditing standard PH 9.960.2 (Audit of Additional Elements of Financial Statements) promulgated by the German Institute of Public Accountants such that material misstatements in deriving the statements of equity and the statements of cash flows from the annual financial statements and the underlying accounting records are detected with reasonable assurance.

In our opinion, based on the findings of our audit, the statements of changes in equity and statements of cash flows for financial years 2017 and 2018 were properly derived from the annual financial statements for financial years 2017 and 2018 and the underlying accounting records in accordance with the provisions of German commercial law.

Yours sincerely,

KPMG AG

Wirtschaftsprüfungsgesellschaft

Dr. Schroff	Medick
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

12. Information on Major Shareholders, Related Party Transactions, Conflicts of Interest, Share Capital, Legal Proceedings and Material Contracts

12.1. Major Shareholders

12.1.1. Overview of the Shareholders' Structure

The following table sets forth the Company's shareholders' structure (i) as of the date of this Prospectus as well as the shareholders' structure (ii) assuming a placement of New Shares and the Base Sale Shares in full and (iii) assuming the placement of the New Shares and the Sale Shares in full and full exercise of the Upsize Option and the Greenshoe Option:

	As of the date of the Prospectus		Upon completion of the Offering (assumption no exercise of the Upsize Option or Greenshoe Option)		Upon completion of the Offering (assumption full exercise of the Upsize Option and Greenshoe Option)	
Shareholder	**Shares**	**% (rounded)**	**Shares**	**% (rounded)**	**Shares**	**% (rounded)**
Aaron Auld[1)]	19,690	0.12	19,690	0.09	19,690	0.09
Mathias and Andrea Golombek[1)]	23,143	0.14	23,143	0.10	23,143	0.10
Katja Edith Konrad[1)]	10,000	0.06	10,000	0.05	10,000	0.05
Gerhard Rumpff[2)]	135,084	0.79	135,084	0.61	115,084	0.52
SYNTOS Beteiligungs GmbH[3)]	6,932,674	40.50	6,932,674	31.20	5,811,515	26.16
Private Person[4)]	106,210	0.62	106,210	0.48	106,210	0.48
Tschunke Beteiligungs GbR[5)]	29,310	0.17	29,310	0.13	0	0.00
T.i.B.i. GmbH & Co. KG[5)]	9,732	0.06	9,732	0.04	0	0.00
Petra Tschunke[6)]	1,093,754	6.39	1,093,754	4.92	1,002,796	4.51
Oliver Tschunke[6)]	97,808	0.57	97,808	0.44	77,808	0.35
Dr. Cornelius Boersch	77,004	0.45	77,004	0.35	57,004	0.26
Mountain Technology AG[7)]	889,533	5.20	889,533	4.00	439,533	1.98
Conny & Co. AG[7)]	45,455	0.27	45,455	0.20	45,455	0.20
KfW	2,059,091	12.03	309,091	1.39	0	0.00
Hesz'sche Privatstiftung	1,721,940	10.06	1,721,940	7.75	1,721,940	7.75
Exasol AG (treasury shares)	881,794	5.15	596,794	2.69	596,794	2.69
Others (further shareholders with a participation of less than 5%)	2,985,648	17.44	10,120,648	45.55	12,190,898	54.87
Total number of shares	**17,117,870**	**100.00**	**22,217,870**	**100.00**	**22,217,870**	**100.00**

1) Member of the Management Board and/or related party to a member of the Management Board.

2) Member of the Supervisory Board.

3) Company controlled by the member of the Supervisory Board Dr. Knud Klingler.

4) Private person related to the member of the Supervisory Board Dr. Knud Klingler.

5) Companies controlled by the member of the Supervisory Board Prof. Jochen Tschunke.

6) Private persons related to the member of the Supervisory Board Prof. Jochen Tschunke.

7) Companies controlled by Dr. Cornelius Boersch.

12.1.2. Voting Rights of Shareholders

Each of the Company's shares carries one vote in the Company's general shareholders' meeting (*Hauptversammlung*). There are no restrictions on voting rights or deviating voting rights. However, the Company may not exercise its voting rights from its treasury shares.

12.1.3. Controlling Relationships

According to the knowledge of the Company, at the date of this Prospectus, Dr. Knud Klingler indirectly and together with a related person holds a number of Shares in the Company, which equals approx. 41.1% of the voting rights in the Company (corresponding to approx. 43.4% of the voting rights in the Company excluding the treasury shares).

After the implementation of the capital increase regarding the New Shares (see *"8.1.3 Creation of the New Shares"*) and sale of the Sale Shares in full and in case of a full exercise of the Greenshoe Option, Dr. Knud Klingler will still hold indirectly, together with a related person, at least approx. 26.6% of the Company's Shares. Thus, he alone controls a number of voting rights that - depending of the presence at the general shareholders' meeting - may be sufficient to block or make resolutions in the general shareholders' meeting that require a simple majority. Further, he will be able to block resolutions in the general shareholders' meeting that require a qualified majority of 75%. Therefore, the number of voting rights enable him to exercise a controlling influence over the Company. The controlling influence can in particular be exercised by causing or preventing resolutions in the general shareholders' meeting. Generally, it is not possible to restrict the voting right in the general shareholders' meeting.

The Company assumes that the regulations of the German corporate law, in particular the stock corporation law and the capital market law are sufficient to prevent abuse of the control. Special measures in regard to the Company were not taken.

12.1.4. Future Change of Controlling Relationships

Exasol AG is currently not aware of any agreements that could, at a later date, lead to a change in control of the Company.

12.2. Related Parties Transactions

Related parties of the Company include the members of the Management Board and the Supervisory Board, including their close family members, as well as those companies on which members of the Management Board or the Supervisory Board or their close family members can exercise significant influence or hold a significant share of voting rights. In addition, related parties are also companies with which the Company forms a group or in which the Company holds an interest that enables the Company to exercise significant influence, as well as the principal shareholders of the Company, including their affiliated companies.

Set forth below is an overview of such transactions with related parties from 1 January 2017 up to and including the date of this Prospectus.

12.2.1. Relationships between the Company and its shareholders

Shareholder Loans

Shareholder Loans by Dr. Knud Klingler

Dr. Knud Klingler, main shareholder and member of the Supervisory Board of the Company, directly and indirectly via his affiliated companies granted shareholders loans to the Company in the nominal amount of in total EUR 6,754,089 (the ***Shareholder Loans Klingler***). These shareholder loans Klingler had a term until 30 June 2021. Since 1 January 2019 they were subject to an interest rate of 5 % p.a. In January 2019 a loan amount of EUR 750,000 was repaid by the Company.

On 25 October 2019 RMV GmbH, one of the lenders and affiliated company to Dr. Klingler, purchased all outstanding claims under the Shareholder Loans Klingler. By agreement dated 25 October 2019 RMV GmbH then contributed its claims (loan amount plus accrued interest) under the Shareholder Loan Klingler in the aggregate amount of EUR 8,320,451 to the Company by way of an assignment of such claims with effect to 30 November 2019. The contribution was made as contribution in kind in the course of the Capital Increase in Kind resolved by the extraordinary general shareholders' meeting on 5 December 2019 (see *"12.4.2 Development of the Share Capital – Capital Increase in Kind"*). With effectiveness of the assignment all claims from the Shareholder Loans Klingler against the Company lapsed.

Shareholder Loan Tschunke Beteiligungs GbR

Tschunke Beteiligungs GbR, a company controlled by the member of the Supervisory Board Prof. Jochen Tschunke, granted a shareholder loan to the Company in the nominal amount of EUR 99,250 (the ***Shareholder Loan Tschunke***). The Shareholder Loan Tschunke had a term until 31 December 2020 with early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company, (ii) the disposal of more than 50% of the assets of the Company and (iii) an initial public offering of the shares in the Company. Since 31 March 2017 the Shareholder Loan Tschunke was subject to an interest rate of 8 % p.a.; interest is due for payment on 31 December 2020. In case of an exit an additional exit premium in the amount of 10% of the loan amount has to be paid by the Company.

By agreement dated 28 October 2019 Tschunke Beteiligungs GbR contributed its claims (loan amount plus accrued interest) under the Shareholder Loan Tschunke in the total amount of EUR 169,998 to the Company by way of an assignment of such claims with effect to 30 November 2019. The contribution was made as contribution in kind in the course of the Capital Increase in Kind resolved by the extraordinary general shareholders' meeting on 5 December 2019 (see *"12.4.2 Development of the Share Capital – Capital Increase in Kind"*). With effectiveness of the assignment claims of Tschunke Beteiligungs GbR from the Shareholder Loan Tschunke against the Company in the amount of EUR 169,998 lapsed.

Shareholder Loan Mountain Technology AG

Mountain Technology AG granted a shareholder loan to the Company in the nominal amount of EUR 397,000 (the ***Shareholder Loan Mountain***). The Shareholder Loan Mountain has a term until 31 December 2020 with early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company, (ii) the disposal of more than 50% of the assets of the Company and (iii) an initial public offering of the shares in the Company. Since 31 March 2017 the Shareholder Loan Mountain is subject to an interest rate of 8 % p.a.; interest is due for payment on 31 December 2020. In case of an exit an additional exit premium in the amount of 10% of the loan amount has to be paid by the Company. As of 31 December 2019 the Shareholder Loan Mountain with a nominal amount of EUR 397,000 plus accrued interest thereon in the amount of EUR 283,066 is outstanding. Mountain Technology AG is further entitled to an exit kicker in the amount of kEUR 40 in case of an initial public offering. The exit kicker will be triggered by the Offering of Shares which is subject of this Prospectus and will be paid from the Net Proceed from the Offering (see *"7.1.3 Use of the Issue Proceeds", clause (iv)*).

Shareholder Loan SYNTOS Beteiligungs GmbH and Hesz'sche Privatstiftung

In a loan agreement dated 20 April 2020, SYNTOS Beteiligungs GmbH and Hesz'sche Privatstiftung granted a shareholder loan to the Company in an aggregate nominal amount of EUR 1.2 million. The loan has a term until 27 April 2021 with early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company and (ii) an initial public offering of the shares in the Company. The loan is subject to an interest rate of 8 % p.a.; interest is due for payment on 31 December 2020. In case of an exit an additional exit premium in the amount of 5% initially, and 10% after three months, of the loan amount has to be paid by the Company.

Silent partnership of tbg

Exasol AG was party to two silent partnership agreements with tbg, a 100% subsidiary of KfW. Those silent partnership agreements expired on 31 December 2012 and 31 December 2014, respectively. The silent participation of tbg in the total amount of EUR 1.5 million is still open for payment. Pursuant to agreements entered into between Exasol AG and tbg on 7 June 2017 the silent participations including a fixed consideration and accrued interest are (re)payable on 31 December 2020 with an early repayment in case of an exit. An exit is (i) the disposal of more than 50% of the shares in the Company, (ii) the disposal of more than 50% of the assets of the Company and (iii) an initial public offering of the shares in the Company. As of 31 December 2019 the full amount of EUR 1.5 million plus accrued interest in the amount of EUR 960,000 is outstanding. Until repayment the outstanding amount of EUR 1.5 million bears further interest of 8 % p.a. If an exit occurs until 31 December 2020 an additional exit premium in the amount of 10% of the silent participation, *i.e.* EUR 150,000, has to be paid by Exasol AG. The exit premium will be triggered by the Offering of Shares which is subject of this Prospectus and will be paid from the Net Proceed from the Offering (see *"7.1.3 Use of the Issue Proceeds", clause (iv)*).

Contribution Agreement regarding claims under shareholder loans

On 25 October 2019 and 28 October 2019, respectively, RMV GmbH and Tschunke Beteiligungs GbR, who were lender to the Company, entered into an greement with the Company under which they contributed their outstanding claims under certain shareholder loans (including accrued interest) in the aggregated amount of EUR 8,490,450 to the Company by way of assigning of such claims. The contribution was made as contribution in kind in connection with the capital increase against contributions in kind resolved by the extraordinary general shareholders' meeting held on 5 December 2019. As consideration for the assignment of the claims the Company issued in total 1,463,870 new ordinary registered shares with no-par value (*Stückaktien*) with dividend rights as from 1 January 2019.

Share contribution agreement

By agreement dated 14 January 2020, certain shareholders of the Company transferred in total 881,794 Shares of the Company to the Company by way of a contribution without consideration. The 881,794 Shares are intended to compensate the costs incurred by the Company in connection with the SAR Compensation claims of the members of the Management Board (see "*10.1.4 Remuneration of the Management Board members")*. The transfer becomes ineffective if no initial public offering regarding the Company's Shares occurs until 31 December 2021 (*auflösende Bedingung*).

Rental Agreement with RMVX GmbH

The Company entered into a rental agreement regarding its business offices in Nuermberg with RMVX GmbH (the ***Landlord***), a company controlled by the member of the Supervisory Board and major shareholder Dr. Knud Klingler. The rental agreement has been amended by several adendums. Rental object is an office space of in total 2,239.02 m^2, basement rooms of 61.2 m^2 and 12 parking lots. The rental agreement has a fixed term from 1 January 2015 until 31 December 2024. The Company has the option to extend the term three times by 5 years each. In case the option is not exercised the rental agreement is extended for an indefinite period of time unless it has been terminated by one of the parties no later than six months before the end of the fixed term. At the date of the Prospectus the rent amounts to net EUR 25,261.68 per month for the office space (∅ EUR 10.53/ m^2), net EUR 386.78 for the basement rooms (EUR 6.32/ m^2) and net EUR 695.04 for the parking lots (EUR 57.92/parking lot) in each case plus advance payments for operating costs and VAT. At the end of the rental period the rented rooms must be renovated and handed over to the Landlord.

Personal Surety by Dr. Klingler

Dr. Knud Kingler, member of the Supervisory Board and major shareholder of the Company, has provided a personal guarantee in the amount of EUR 350,000 as collateral for a current account credit line granted by Raiffeisen Landesbank Oberösterreich to Exasol AG. Further, Dr. Klingler and SYNTOS Beteiligungs GmbH, a company affiliated to Dr. Klingler, issued declarations vis-à-vis Raiffeisen Landesbank Oberösterreich to always subscribe for shares in case of an increase of the Company's share Capital. As the credit line has been mutually terminated on 18 February 2020 and the outstanding balance fully repaid, the collaterals can no longer be drawn.

Settlement Agreement with former minority shareholders

On 14 November 2018, the Company entered into a settlement agreement with a group of shareholders who had challenged various resolutions passed by the general shareholders' meetings of the Company (the ***Settlement Agreement***) (see *"12.6 Legal Disputes and Arbitration Proceedings"*). According to the Settlement Agreement all pending shareholder litigation matters, including claims for damages, have been terminated and the respective shareholders have waived all potential claims against the Company as well as against prior and actual board members and shareholders. The shareholders were entitled to withdraw from the Settlement Agreement between 1 November 2019 and 29 November 2019 if certain conditions stipulated in the Settlement Agreement were not met. Since the deadline expired without withdrawal the Settlement Agreement is finally effective.

12.2.2. Relationships between the Company and related companies

Intragroup Loan Agreements

Loans of Exasol AG to its subsidiaries

Exasol AG has granted loans to its subsidiaries. The loans are each subject to an interest rate of 5% p.a. and have an indefinite term. As of 31 December 2019 the outstanding loan amounts and accrued interest thereon are as follows:

borrower	nominal loan amount as of 31 December 2019 EUR	accrued interest as of 31 December 2019 EUR
Exasol Cloud Computing GmbH	2,213,689.74	110,684.49
Exasol Europa Vertriebs GmbH	2,136,257.64	106,812.88
Exasol UK Ltd.	3,195,773.75	159,788.69
Exasol, Inc.	466,083.13	23,304.16
Exasol France SAS	10,000.00	500.00

With respect to the loans granted to Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH Exasol AG has issued subordination and no-reclaim declarations (*Rangrücktritts- und Darlehenbelassungserklärungen*).

Intragroup clearing accounts

The companies of the Exasol Group have reciprocal clearing accounts (*Verrechnungskonten)*, which are used to offset payments for goods and services. The clearing accounts bear no interest.

Global Surety of Exasol AG

Exasol AG has granted an unlimited global surety (*betragsmäßig unbegrenzte, selbstschuldnerische Globalbürgschaft)* in favor of Dell Bank International d.a.c. to secure any and all obligations of Exasol Cloud Computing GmbH arising out of its business relationship with Dell Bank International d.a.c. in connection with certain lease agreements.

Co-commitment regarding hire-purchase agreements

Exasol Cloud Computing GmbH entered into several hire-purchase agreements regarding hard- and software. The monthly payments under these agreements currently amount to approx. kEUR 20. Exasol AG, Exasol Vertriebsholding GmbH, Exasol Europa Vertriebs GmbH and Exasol Big Data Technologies GmbH commited to a joint liability with respect to payment obligations of Exasol Cloud Computing GmbH.

Intragroup service agreements

Exasol AG concluded service agreements with Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH. Subject matter of the service agreements are general administrative services, such as management and office services, and offices and office infrastructure to be provided by Exasol AG to its subsidiaries. For these services Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH have to pay a monthly fixed fee to the Company of net EUR 1,400. Further, Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH may request marketing and IT services for which they have to pay EUR 800 per man and day. The agreements may be terminated by either party observing a notice period of one month to the end of a calendar quarter.

Software development agreement between Exasol AG and Exasol Big Data Technologies GmbH

In February 2019 the Company and Exasol Big Data Technologies GmbH concluded a software development agreement. The subject matter of this agreement is the further development and modification of the software in the already existing editions, the development and modification of the software in new editions, the further development and new development of the software-related offers by Exasol Big Data Technologies GmbH and a broad transfer of rights and the granting of exclusive rights of use and exploitation of the contractual developments to the Company. The agreement may be terminated by either party observing a notice period of six months to the end of a calendar year.

Intragroup software license and distribution agreements

The Company has concluded license and distribution agreements with several of its subsidiaries which all are fully included in Exasol's consolidated financial statements. According to these license and distribution agreements, the subsidiaries are granted the right to use (non-exclusive, limited to the duration of the respective license and distribution agreement, worldwide, non-sublicensable, non-transferable license a royalty has to be paid for) the software against payment of a consideration. Use of the software means the respective licensee's right to distribute the software for commercial purposes and to reproduce the software for this purpose, including loading into working memory of data processing equipment and duplication pieces of the software in whatever form for a fee, both for a limited or unlimited period of time. The agreements may be terminated by either party observing a notice period of six months to the end of a calendar year.

Intragroup license agreements with regard to trademarks

The Company concluded trademark license agreements with Exasol Cloud Computing GmbH, Exasol Europa Vertriebs GmbH and Exasol UK Ltd., all on 8 February 2018. In all these agreements, the respective licensee is granted a non-exclusive, non-sublicensable and non-transferable (unless the Company gives its consent) right to use the trademarks which are subject matter of the respective agreement. The agreements may be terminated by either party observing a notice period of six months to the end of a calendar year.

12.2.3. Relationships between the Company and its members of the Management and Supervisory Board

With regard to the service contracts and the remuneration of the members of the Management Board and the remuneration of the members of the Supervisory Board, reference is made to Section "*10.1 Management Board*" and Section "*10.2 Supervisory Board*" of the Prospectus.

In addition, the Company has relationships with members of the Supervisory Board and their affiliated companies, who are at the same time shareholders of the Company, as described in section "*12.2.1 Relationships between the Company and its shareholders*" above.

12.3. Further Information regarding Management and Supervisory Board

12.3.1. Management and Supervisory Boards' potential Conflicts of Interest

The members of the Management Board and the members of the Supervisory Board and their affiliates, respectively, directly or indirectly hold shares in the Company. As a result, they have financial and economic interests, separately from their positions in the respective governing body that may diverge from the Company's and, thus, may constitute a potential conflict of interest.

Furthermore, the members of the Management Board of the Company and the Company have entered into an agreement under which the three members of the Management Board are entitled to a special compensation, so-called 'stock appreciation rights', in the event of an initial public offering of the shares of the Company. In addition, as part of their compensation package the members of the Management Board are entitled to stock awards for Shares of the Company for each financial year of the term of their service agreements beginning with a listing of the Company (see "*10.1.4*

Remuneration of the Management Board members". Therefore, the members of the Management Board have an own interest in a successful completion of the Offering.

Exasol entered into several agreements with companies controlled by and affiliated to the member of the Supervisory Board Dr. Knud Klingler (see *"12.2.1 Relationships between the Company and its shareholders")*. As a result, he may have financial and economic interests, separately from his position as member of the Supervisory Board, that may diverge from the Company's or the Group's and, thus, may constitute a potential conflict of interest.

In other respects, no conflicts or potential conflicts exist with regard to obligations owed to the Company as of the date of the Prospectus that could result from their private interests or other obligations, except as described in this section 12.3.1.

12.3.2. Delegation or Appointment Rights

No agreements exist with main shareholders, customers, suppliers or other persons in regard to the appointment of a Management Board or Supervisory Board member.

12.3.3. Lock-up Agreements

The members of the Management Board and the members of the Supervisory Board and their affiliates, respectively, entered into Lock-up agreements with the Underwriter regarding their shareholding in the Company (*see "9.7 Market Protection Agreements (Lock-up)")*.

12.4. Share Capital

12.4.1. Share Capital and Shares

The Company's share capital amounts to EUR 17,117,870.00 and is divided into 17,117,870 no-par value ordinary registered shares each with a notional value of EUR 1.00 in the Company's share capital. All 17,117,870 no-par value shares are fully paid.

All shares of Exasol AG are part of the Company's capital.

12.4.2. Development of the Share Capital

The Company was incorporated on 25 August 2006 with a share capital of EUR 86,950.00, divided into 86,950 no-par value registered shares.

The following table sets out the increases in the Company's share capital from the founding of the Company to the date of this Prospectus:

Date	Capital increase	Change of the issued capital		Resulting number of registered shares	Registration in the commercial register
		Nominal amount of the capital increase	Resulting share capital		
25 August 2006	Incorporation		EUR 86,950.00	86,950	5 December 2006
Resolution of the general shareholders' meeting of 25 August	Capital increase against contribution in	EUR 5.958,050.00	EUR 6,045,000.00	6,045,000	6 December 2006

2006	kind				
Resolution of the Management Board of 15 May 2008	Capital increase against contributions in cash and in kind	EUR 1,303,572.00	EUR 7,348,572.00	7,348,572	29 August 2008
Resolution of the Management Board of 8 September 2008	Capital increase against cash contributions	EUR 1,176,509.00	EUR 8,525,081.00	8,525,081	9 January 2009
Resolution of the Management Board of 8 September 2008	Capital increase against cash contributions	EUR 519,919.00	EUR 9,045,000.00	9,045,000	29 April 2009
Resolution of the Management Board of 5 August 2009	Capital increase against cash contributions	EUR 500,000.00	EUR 9,545,000.00	9,545,000	15 December 2009
Resolution of the Management Board of 17 December 2009	Capital increase against cash contributions	EUR 750,000.00	EUR 10,295,000.00	10,295,000	8 February 2010
Resolution of the Management Board of 11 February 2010	Capital increase against cash contributions	EUR 750,000.00	EUR 11,045,000.00	11,045,000	9 July 2010
Resolution of the general shareholders' meeting of 13 December 2011	Capital increase against cash contributions	EUR 2.000,000.00	EUR 13,045,000.00	13,045,000	31 July 2012
Resolution of the general shareholders' meeting of 8 August 2013	Capital increase against cash contributions	EUR 2.609,000.00	EUR 15,654,000.00	15,654,000	27 March 2014
Resolution of the general shareholders' meeting of 5 December 2019	Capital increase against contribution in kind*	EUR 1.463.870,00	EUR 17,117,870.00	17,117,870	6 February 2020
Resolution of the Management Board of 13 May 2020	Capital increase against cash contributions	up to EUR 5,100,000	up to EUR 22,217,870	up to 22,217,870	Not yet registered

**** Capital Increase in Kind***

The extraordinary general shareholders' meeting held on 5 December 2019 resolved to increase the Company's share capital from EUR 15,654,000 by EUR 1,463,870 to EUR 17,117,870 against contribution in kind by issuing 1,463,870 new ordinary registered shares with no-par value (*Stückaktien*) with dividend rights from 1 January 2019 (the ***Capital Increase in Kind***). The shareholders' subscription rights were excluded. 1,434,560 shares were issued to RMV GmbH, which in return contributed its claim under a shareholder loan in the nominal amount of EUR 8,320,451 to the Company as contribution in kind. 29,310 shares were issued to Tschunke Beteiligungs GbR, which in return contributed its claim under a shareholder loan in the nominal amount of EUR 169,998 to the Company as contribution in kind.

Reconciliation of the number of Shares outstanding at the beginning and end of the years 2017, 2018 and 2019

	Number of Shares
As of 1 January 2017	15,654,000
As of 31 December 2017	15,654,000
As of 31 December 2018	15,654,000
As of 31 December 2019	15,654,000

12.4.3. Authorized Capital

Pursuant to the Company's Articles of Association, the Management Board is authorized, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions on or before 4 December 2024 by up to EUR 8,558,935.00 against cash and/or contributions in-kind by issuing up to 8,558,935 new no-par value registered shares ("**Authorized Capital 2019/I**"). The new shares are entiteld to participate in the profits from the beginning of the business year for which, at the time of the issuance of the new shares, no resolution of the general shareholders' meeting about the use of the net profits has yet been adopted. The shareholders are in principle entitled to subscription rights; the statutory subscription rights may also be granted in such a manner that the new shares are subscribed by a credit institution or an equivalent company in the meaning of section 186 para. 5 sent. 1 AktG under the obligation to offer such shares for subscription to the shareholders of the Company. However, with the approval of the Supervisory Board, the Management Board is authorized to exclude shareholder subscription rights in the following cases:

- in order to exclude fractional amounts from the subscription right;

- if a capital increase against cash contributions does not exceed 10% of the share capital and the issue amount of the new shares is not significantly less than the stock exchange price (Section 186 (3) sentence 4 AktG); when using the authorization to exclude subscription rights pursuant to Section 186 (3) sentence 4 AktG the exclusion of subscription rights in accordance with other authorizations pursuant to Section 186 (3) sentence 4 AktG has to be taken into account;

- if the shares are issued for contributions in kind for the purpose of acquiring companies or interests in companies or for the purpose of acquiring claims against the Company;

- if the new shares are offered to investors in connection with the initial public offering or the listing of the Company's shares on a stock exchange for subscription for a placement price yet to be determined;

- if the shares are offered as employee shares to members of the management board, managig directors of affiliated companies or employees of the Company's or affiliated companies.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the details of the capital increase and its implementation. The Supervisory Board is authorized to amend the wording of the Articles of Association according to the extent the capital increase from the authorized capital has been implemented.

The Authorized Capital 2019/I was registered with the commercial register of the Company on 6 February 2020. On 13 May 2020 the Management Board, with the approval of the Supervisory Board on 13 May 2020, resolved to increase the Company's share capital against cash contributions from the Authorized Capital 2019/I from EUR 17,117,870.00 by up to EUR 5,100,000 to up to EUR 22,217,870 by issuing up to 5,100,000 new ordinary registered shares with no-par value

(*Stückaktien*) with a notial amount in the Company's share capital of EUR 1.00 per share and with full dividend rights as of 1 January 2019 (the ***New Shares***). Shareholders' subscription rights were excluded. The New Shares are subject matter of this Prospectus.

12.4.4. Treasury Shares

As of the date of the Prospectus, the Company holds 881,794 treasury shares of the Company which were transferred to the Company by certain shareholders by way of a contribution without any consideration (see *"12.2.1 Relationships between the Company and its shareholders"*).

Furthermore, by resolution of the Company's extraordinary general shareholders' meeting held on 5 December 2019, the Management Board was authorized, with the consent of the Supervisory Board, to acquire treasury shares of the Company up to a total of 10% of the Company's existing share capital. The shares acquired on the basis of this authorization, together with other treasury shares of the Company which the Company already holds or are to be attributed to it pursuant to Sections 71a et seqq. AktG, may at no time exceed 10% of the Company's share capital. The authorization may be exercised in whole or in part, once or several times, by the Company, but also by third parties for the account of the Company. The authorization is valid until 4 December 2024. The authorization may also be used by group companies or by third parties for the account of the Company or a group company.

12.4.5. Authorization to issue Convertible Bonds and/or Bonds with Warrants

By resolution of the Company's extraordinary general shareholders' meeting held on 5 December 2019, the Management Board was authorized, with the consent of the Supervisory Board, to issue until the end of 4 December 2014 on one or more occasions (i) convertible bonds and/or (ii) option bonds and/or (iii) convertible participation rights and/or (iv) option participation rights and/or (v) participation rights and/or (vi) profit-participating bonds (including combinations of these instruments) (hereafter (i) to (iv) together the „Financial Instruments“ and (i) to (vi) together the „Instruments“) in bearer and/or in registered form with a nominal amount of up to EUR 50,000,000.00 and with a maximum term of 20 years, and to grant the holders or creditors of Financial Instruments conversion or option rights to up to 6,200,000 new registered shares of the Company with no-par value in accordance with the respective option or convertible bond conditions or profit participation right conditions.

The Management Board may, with the consent of the Supervisory Board, also issue registered convertible bonds or convertible participation rights pursuant to which the holder or creditor of the convertible bonds or convertible participation rights, subject to the terms of the convertible bonds or convertible participation rights, are obligated during the conversion period or at the end of the conversion period to exchange the convertible bonds or convertible participation rights for new registered no-par value shares of the Company.

In general, the shareholders have a subscription right for the Instruments. The shareholders may also be granted their statutory subscription rights in such a manner that the Instruments are subscribed by one or more credit institutions and/or one or more companies in the meaning of section 186 para. 5 sent. 1 AktG under the obligation to offer such Instruments for subscription to the shareholders. The Management Board is nevertheless authorized, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders of the Company on the Instruments, in total or in part,

- for fractional amounts;

- to the extent it is required in order to grant a subscription right to convertible bonds or option bonds or convertible participation rights or option participation rights or participation rights or profit participation bonds, to the holders or creditors of then outstanding option rights, convertible bonds and convertible participation rights, in the amount that they would be entitled to after exercise of their conversion or option right or after satisfaction of their conversion obligation;

- to the extent Financial Instruments are issued against cash payment and the issue price does not, in the opinion of the management board formed on the basis of a duly conducted inquiry, fall significantly under the theoretical market price of the fractional bonds or fractional participation rights as determined by recognized financial mathematical methods. This authorization to exclude subscription rights exists, however, only with respect to fractional bonds or fractional participation rights with a conversion or option right or obligation to convert to shares, having a notional interest in the share capital of no more than 10 % of such share capital, neither at the time of this authorization becoming effective nor at the time of the exercise of such authorization. For the question of exhausting this 10 % limitation, the exclusion of participation or acquisition rights resulting from other authorizations in direct or indirect application of section 186 para. 3 sentence 4 AktG must be taken into account.

As of the date of the Prospectus the Company has not issued any Instruments.

12.4.6. Conditional Capital

By resolution of the Company's extraordinary general shareholders' meeting held on 5 December 2019, the registered share capital of the Company was conditionally increased by up to EUR 6,200,000.00 by issuing up to 6,200,000 new registered shares with no-par value (Conditional Capital 2019/I). The conditional capital increase will only be implemented to the extent that the holders or creditors of convertible or option bonds or convertible or option participation rights issued by the Company or group companies, on the basis of the authorization resolved by the general meeting on 5 December 2019, until the end of 4 December 2024 make use of their conversion or option rights, or, if they are obligated to convert such securities actually fulfill their obligation to convert, and to the extent that no own shares or shares from authorized capital are provided to serve these option or conversion rights or if a compensation in cash is granted. The new shares participate in the profits from the beginning of the business year in which they are issued through exercise of conversion or option rights or through fulfillment of the conversion obligation.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the relevant use of the conditional capital. The same applies in the case that the authorization to issue convertible or option bonds or convertible or option participation rights has not been used upon expiration of the effective term of the authorization, as well as in the event that the Conditional Capital 2019/I has not been utilized after expiration of all periods for the exercise of conversion and option rights.

The Conditional Capital 2019/I was registered with the commercial register of the Company on 6 February 2020. As of the date of the Prospectus no shares have been issued from the Conditional Capital 2019/I.

12.5. Articles of Association of the Company

12.5.1. Change of Control of the Company

The Company's Articles of Association do not contain provisions regarding a change in control of the Company.

12.5.2. Regulations in the Articles of Association pertaining to Capital Changes

According to the applicable statutory provisions, changes pertaining to the Company's share capital, in particular capital increase, capital decrease or creation of authorized or conditional capital shall be made through a resolution of the annual general shareholders' meeting, which is rendered with the majority of votes cast. Where the law also requires a capital majority for resolutions, the simple majority of the capital represented at the time of the resolution shall be sufficient, if this is legally permitted.

The memorandum of association and the Company's Articles of Association do not contain any provisions, which related to changes in regard to the share capital and are stricter than the legal regulations.

12.6. Legal Disputes and Arbitration Proceedings

Other than as provided below, Exasol Group is currently not, and has not been in the past twelve months, involved in any court or arbitration or administrative proceedings which could have a significant impact on its overall financial condition.To the best knowledge of the Management Board, no other such proceedings are pending or threatened.

Shareholder litigation

Between 2012 and 2016 shareholders of the Company challenged several resolutions, passed by the general shareholders' meetings held on 13 December 2011, 8 August 2013, 5 February 2015, 11 May 2016, 3 August 2017 and 6 June 2018, *inter alia* resolutions regarding capital increases, the creation of authorized capital, the redemption of shares and the election of members to the Supervisory Board, before the Regional Court (*Landgericht)* of Nuremberg-Fuerth. Clearance decisions were applied for by the Company and granted by the Higher Regional Court (*Oberlandesgericht*) of Nuremberg with respect to two ordinary capital increases. Some of the resolutions of the general shareholders' meetings were declared void by the Regional Court of Nuremberg-Fuerth and appealed by the Company. With respect to other resolutions no verdict had been rendered until November 2018.

On 14 November 2018, all plaintiffs and the Company entered into a settlement agreement, which was recorded before the Higher Regional Court (Oberlandesgericht) of Nuremberg (*see "12.7.2 Material Contracts - Other Agreements"*). The plaintiffs had the right to withdraw from the settlement agreement between 1 November 2019 and 29 November 2019. As no use has been made of this right, the settlement agreement is finally effective.

Labor disputes

In July 2019 Exasol Europa Vertriebs GmbH settled a labor dispute regarding the dismissal of an employee in a court hearing at the Labor Court Munich for a settlement payment in the amount of kEUR 129. The Company in April 2020 also received notice of a claim from one of its employees who was made redundant as part of the Company's restructuring in March 2020 (see Section 4.2.13) and one other comparable claim has been threatened.

Tax audit

The Company, Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH are currently subject to tax audits. Subject of the tax audit is in each case corporate income tax, trade tax and turnover tax for the years 2013 to 2016. In February 2020 the tax audit office submitted its findings for all three companies. According to Exasol's own calculations, the current findings of the tax audit office would result in additional tax payments of approx. kEUR 40 to kEUR 80.

12.7. Material Contracts

The following provides an overview of material contracts, other than contracts entered into in the ordinary course of business, to which the Company or a member of Exasol Group is a party, entered into or ongoing during the last year.

12.7.1. Financing Agreements

Agreements with HypoVereinsbank

HypoVereinsbank has granted to Exasol a credit line for business purposes in the amount of up to EUR 1 million. The credit line may be used as overdraft facility by Exasol AG, Exasol Cloud Computing GmbH and Exasol Europa Vertriebs GmbH. The outstanding amount is subject to an interest rate of 4.75 % p.a. +/- a variable factor which is calculated on the basis of the development of the 3months-EURIBOR. In addition, a fixed fee of EUR 5,000 has to be paid per year. The credit line has been granted until further notice and may be terminated by HypoVereinsbank at any time. By amendment dated 16 December 2019 the credit line was extended by EUR 750,000 to EUR 1.75 million for a limited time period until 31 March 2020. Since 1 April 2020 the credit line has again amounted to EUR 1 million.

Further, HypoVereinsbank granted Exasol AG a guarantee credit (*Avalkredit*) in the amount of up to EUR 59,000. The commission amounts to 1.5% p.a. The guarantee credit has been granted until further notice and is secured by the pledging of a bank account.

Loan Agreement with Raiffeisen Landesbank Oberösterreich

Raiffeisen Landesbank Oberösterreich granted an overdraft facility to Exasol AG of up to EUR 350,000. The outstanding amount bore interest of 3-Months-EURIBOR + 6.25 % p.a. and a commitment commission for unused amount of 3 %. The facility was secured by a personal surety of Dr. Knud Klingler (see "*12.2.1 Related Parties Transactions - Relationships between the Company and its shareholders"*), pledging of rights to trademarks and assignment of receivables from licences granted by the Company for the use of the pledged trademarks. Further, Dr. Klingler and SYNTOS Beteiligungs GmbH issued declarations to always subscribe for shares in case of an increase of the Company's share capital. The overdraft facility had been granted for a fixed term until 31 March 2020. On 18 February 2020 the Company and Raiffeisen Landesbank Oberösterreich agreed to terminated the loan agreement with immediate effect. The outstanding balance was repaid in full in February 2020.

Loan Agreement with Dell Bank International d.a.c.

Dell Bank International d.a.c. granted a loan to Exasol Cloud Computing GmbH for the purpose of financing computer hardware and services in the amont of EUR 190,880. The loan is subject to an interest rate of 5.958%. It has a term of 48 months beginning September 2018 and has to be repaid by a one-off payment of EUR 34,222 and further 47 monthly instalments of EUR 3,745. As of 31 December 2019 the outstanding loan amount is EUR 110,564.

Shareholder Loans

Certain shareholders of the Company directly or indirectly via affiliated companies provided loans to the Company in the aggregate nominal amount outstanding as of the date of this Prospectus of EUR 3.1 million. Further tbg granted the Company silent participations in the nominal amount of in total EUR 1.5 million (see "*12.2.1 Related Parties Transactions - Relationships between the Company and its shareholders*").

12.7.2. Other Agreements

Settlement Agreement with former minority shareholders

On 14 November 2018, the Company entered into a Settlement Agreement with a group of shreholders who had challenged various resolutions passed by the general shareholders' meetings of the Company (see *"12.2.1 Related Parties Transactions - Relationships between the Company and its shareholders"*).

Contribution Agreement regarding claims under shareholder loans

On 25 October 2019 and 28 October 2019, respectively, RMV GmbH and Tschunke Beteiligungs GbR entered into an greement with the Company under which they contributed their outstanding claims under shareholder loans (including accrued interest) in the aggregated amount of EUR 8,490,450 to the Company by way of assigning of such claims in exchange for new shares. With effectiveness of the assignment on 1 December 2019 the respective claims againsts the Company lapsed (see *"12.2.1 Related Parties Transactions - Relationships between the Company and its shareholders")*.

Share contribution agreement

By agreement dated 14 January 2020, certain shareholders of the Company transferred in total 881,794 Shares of the Company to the Company by way of a contribution without consideration. The transfer becomes ineffective if no initial public offering regarding the Company's Shares occurs until 31 December 2021 (*auflösende Bedingung*) (see *"12.2.1 Relationships between the Company and its shareholders")*.

13. Documents available for Inspection

For the period during which the Prospectus is valid, copies of the following documents are available for inspection during regular business hours at the Company's offices at Neumeyerstr. 22 - 26, 90411 Nuremberg:

- the Company's articles of association;
- Audited Annual Financial Statements of Exasol AG prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the financial year ended 31 December 2017;
- Audited Annual Financial Statements of Exasol AG prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the financial year ended 31 December 2018;
- Audited Annual Financial Statements of Exasol AG prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the financial year ended 31 December 2019;

- Audited cash flow statements and statements of changes in equity of Exasol AG prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019; and

- Audited Consolidated Financial Statements of Exasol AG prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the financial years ended 31 December 2018 and 31 December 2019.

The approved Prospectus as well as the documents mentioned in this Section 13 are also published on the Company's website www.exasol.com.

14. Glossary

Additional Sale Shares	Existing ordinary registered shares with no-par value (Stückaktien) in the Company to be sold by the Upsize Option Shareholders in case of their exercise of the Upsize Option
AktG	German Stock Corporation Act (*Aktiengesetz*)
ARR	Abbreviation for annual recurring revenue; means monthly recurring revenue (MRR) in the reporting month x 12 months
Articles of Association	Company's articles of association, as amended
Audited Consolidated Financial Statements	Audited consolidated financial statements prepared in accordance with German GAAP for the financial years ended 31 December 2019 and 31 December 2018.
Audited Financial Statements	Audited financial statements, cash flow statements and statements of changes in equity, each prepared in accordance with German GAAP, for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017.
BaFin	German Federal Financial Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht)*
Base Sale Shares	Existing ordinary registered shares with no-par value (*Stückaktien*) in the Company to be sold by the Selling Shareholders
BI	Business Intelligence
CAC	Customer acquisition costs
CAGR	Compound Annual Growth Rate, average annual growth rate
Capital Increase	Capital increase against contribution in cash from the Authorized Capital 2019/I resolved by the Management Board on 13 May 2020 with approval of the Supervisory Board on 13 May 2020
Capital Increase in Kind	Capital increase against contribution in kind by EUR 1,463,870 resolved by the extraordinary general shareholders' meeting held on 5 December 2019 with exclusion of shareholders' subscription rights. 1,463,870 new ordinary registered shares with no-par value (*Stückaktien*) were issued to RMV GmbH and Tschunke Beteiligungs GbR with dividend rights from 1 January 2019. In return RMV GmbH and Tschunke Beteiligungs GbR contributed their claims under certain shareholder loans in the nominal amount of in total EUR 8,490,449.50 to the Company as contribution in kind.
CIS	Center for Internet Security

Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany
CLTV	Customer lifetime value
Company	Exasol AG, Nuremberg, Germany
Continuous Integration	Continuous Integration is a software development practice where members of a team integrate their work frequently, usually each person integrates at least daily - leading to multiple integrations per day.
DACH	geographical region comprising Germany, Austria and Switzerland
DevOp	DevOps describes a process improvement approach in the areas of software development and system administration. DevOps is an art word from the terms Development and IT Operations. DevOps aims to enable more effective and efficient collaboration of Dev, Ops and Quality Assurance (QA) through shared incentives, processes and software tools and to improve the quality of the software, the speed of development and delivery, and the interaction of the teams involved.
DBMS	Abbreviation for database management system
ESMA	European Securities and Markets Authority
EU	European Union
EUR	Euro
Exasol	Exasol Group
Exasol Group	The Company together with its direct an indirect subsidiaries
Financial year 2017/2018/2019	financial year ended 31 December 2017/31 December 2018 or 31 December 2019
FTT	Financial transaction tax
GAAP	General accepted accounting principles
GDP	Gross domestic product
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
German GAAP	German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*)

Germany	The Federal Republic of Germany
Greenshoe Selling Shareholders	Gerhard Rumpff, KfW, SYNTOS Beteiligungs GmbH, Tschunke Beteiligungs GbR, T.i.B.i. GmbH & Co. KG, Petra Tschunke, Oliver Tschunke, Dr. Cornelius Boersch and Mountain Technology AG
GBP	British pound; official currency of the United Kingdom
Hauck & Aufhäuser	Hauck & Aufhäuser Privatbankiers Aktiengesellschaft, Kaiserstraße 24, 60311 Frankfurt, Germany
IDC	International Data Corporation, a market research company in the IT sector
ISIN	Abbreviation for International Security Identification Number. The ISIN serves for the international identification of securities. It consists of a two-digit country code (for example, DE for Germany), followed by a ten-digit numeric identifier.
ISO/IEC 27001	ISO/IEC 27001 is an information security standard, published by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). ISO/IEC 27001 specifies a management system that is intended to bring information security under management control and gives specific requirements. Organizations that meet the requirements may be certified by an accredited certification body following successful completion of an audit.
Issuer	Exasol AG
KfW	Public law institution (*Anstalt des öffentlichen Rechts*) and national development bank *(Förderbank)* with business address Palmengartenstraße 5-9, in 60325 Frankfurt am Main, Germany.
LEI	Legal entity identifier
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance.
MRR	Abbreviation for monthly recurring revenue; means the sum of all recurring revenues resulting from continuing contractual obligations within the respective month (reporting month). Recurring revenues are revenues from subscriptions (on-premise installation and cloud) and ongoing support services.
New Shares	The newly issued ordinary registered shares of the Company with no-par value (*Stückaktien*) with a notional value of EUR 1.00 in the share capital of the Company and with full dividend rights as from 1 January 2019 from the Capital Increase

Prospectus	This EU Growth prospectus
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
RAM	Random-access memory is a form of computer memory that can be read and changed in any order, typically used to store working data and machine code.
Regulation (EU) 2017/1129	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Prospectus Regulation.
SaaS	Software as a Service; SaaS is a part of cloud computing. The SaaS model is based on the principle that the software and the IT infrastructure are operated by an external IT service provider and used by the customer as a service.
Sale Shares	The Base Sale Shares and the Additional Sale Shares
Securities Act	Securities Act of 1933 as amended from time to time
Selling Shareholders	KfW and Exasol AG
Sole Bookrunner	Hauck & Aufhäuser
Subscription Functionality	Subscription functionality DirectPlace of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the trading system of the Frankfurt Stock Exchange for the collection and settlement of subscription offers
Subsidiary	Company in which Exasol AG has a direct or indirect interest of more than 50%.
TPC-H	TPC Benchmark™H (TPC-H) is a decision support benchmark of TPC, San Francisco, US
tbg	tbg Technologie-Beteiligungs-GmbH, Bonn, Germany
UK	United Kingdom
Underwriter	Hauck & Aufhäuser
Underwriting Agreement	Underwriting agreement entered into between the Company, the Selling Shareholders, the Upsize Option Shareholders, the Greenshoe Selling Shareholders and Hauck & Aufhäuser on 13 May 2020
United States	United States of America

Upsize Option	An upsize option upon decision of the Upsize Option Shareholders on the date of pricing based on market demand
Upsize Option Shareholders	SYNTOS Beteiligungs GmbH, Petra Tschunke and Mountain Technology AG
US	United States of America
USD	US Dollar; official currency of the United States of America
UX	Abbreviation for User Experience
VAT	Value-added tax (*Mehrwertsteuer*)
WKN	Abbreviation for *Wertpapierkennnummer*; German for Securities Code
WpHG	German Securities Trading Act *(Wertpapierhandelsgesetz*)
WpÜG	German Securities Acquisition and Takeover Act (*Wertpapiererwebs- und Übernahmegesetz*)
XETRA	Exchange Elextronic Trading; electronic traing system of Deutsche Börse AG for the spot market