



Report by the Executive Board and Supervisory Board of ANDRITZ AG (FN 50935 f) pursuant to Section 95 (6) in conjunction with Section 159 (2) line 3 of AktG (Austrian Stock Corporation Act) concerning the planned implementation of the 2020 stock option program

Graz, July 20, 2020. The ANDRITZ 2020 stock option program was approved at the Annual General Meeting of ANDRITZ AG on July 7, 2020. The Executive Board and Supervisory Board of ANDRITZ AG now intend to implement it.

Approximately 120 to 150 senior executives as well as individual junior staff for future top management posts in the ANDRITZ GROUP and also members of the Executive Board are to be included in the stock option program. The number of shares allocated per eligible senior executive can be up to 20,000, depending on the area of responsibility, and for each Executive Board member 37,500. In total, the maximum number of stock options that can be issued is 1,500,000. 187,500 of these options are assigned to the five members of the Executive Board and the remaining options to senior executives.

The ANDRITZ 2020 stock option program takes account of financial and also non-financial goals as follows:

90% of the options allocated to each person can be exercised in the period from May 1, 2023 to April 30, 2027 (period of exercise), but only if (i) the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days between May 1, 2022 and April 30, 2023 is at least 10% higher than the exercise price, and (ii) the EBITA margin for the 2021 or 2022 business year is at least 6.5%, or if (i) the unweighted average closing price of the ANDRITZ share over 20 consecutive trading days between May 1, 2023 and April 30, 2024 is at least 15% higher than the exercise price and (ii) the EBITA margin for the 2022 or 2023 business year is at least 6.5%.

10% of the options allocated to each person can be exercised between May 1, 2023 and April 30, 2027 (period of exercise), but only if the Accident Frequency Rate (AFR) > 3 days of absence (accidents with more than three days absence per one million working hours) is ≤ 3.5 in the 2021 or 2022 or 2023 business year.



Provided that the terms and conditions of exercise are fulfilled, 50% of the options can be exercised immediately upon commencement of the period of exercise, 25% after three months, and the remaining 25% after a further three months.

In order to exercise a share option, the eligible person must, in principle, have been in active employment with the company or one of the subsidiaries of the ANDRITZ GROUP as from September 1, 2020 until any exercise of the options. Another requirement is a personal investment in ANDRITZ shares.

The exercise price of the options is the unweighted average closing price of the ANDRITZ share in the four calendar weeks following the 113th Annual General Meeting, held on July 7, 2020.

One share option entitles the holder to the purchase of one share. The total number of shares that can be purchased can not exceed the number of options issued. The share options are not transferable. The shares purchased under the stock option program are not subject to a ban on sales over a certain period.

These options are to be drawn from the pool of shares under the corporate buy-back program.

For other details on the ANDRITZ 2020 stock option program, including explanations and comments, please refer to the written report by the Executive Board and Supervisory Board on item 9 of the agenda of the 113th Annual General Meeting on July 7, 2020, published on the company website at www.andritz.com.

The Executive Board and Supervisory Board of ANDRITZ AG