

DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTION PLAN (ESOP) OF THE COMPANY

[Pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules 2014 and SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time: Please refer Note 41 of Financial statement.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Ind AS 33-"Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time: Please refer Note - 31 of Financial Statement.

C. Details related to ESOP Scheme

(i) A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including

(a)	Date of shareholders' approval	September 5, 2024
(b)	Total number of options approved under ESOP	18,256,428
(c)	Vesting requirements	As per vesting schedule: 1,2 & 4 years
(d)	Exercise price or pricing formula	₹ 1
(e)	Maximum term of options granted	4 years
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	NA
(h)	Material changes in the scheme and whether the scheme(s) is/are in compliance with the regulations	No material change; Compliant

(ii) Method used to account for ESOP's: Fair value

(iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed: Not Applicable

(iv) Option movement during the year

Particulars	No of options
Number of options outstanding at the beginning of the period	46,579
Number of options granted during the year	26,78,257
Increased consequence to issue of bonus shares	1,39,78,777
Number of options forfeited / lapsed during the year	1,72,301
Number of options exercised during the year	-
Number of shares arising as a result of exercise of options	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-
Loan repaid by the Trust during the year from exercise price received	-
Number of options outstanding at the end of the year	1,65,31,312
Number of options exercisable at the end of the year	1,06,81,730
Number of options vested during the year	18,09,818

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:

Weighted average share price (INR)	1 to 299*
Exercise Price (INR)	0.0038 to 1*
Expected Volatility	35%
Expected life of the Options	5-8 years
Expected Dividends (%)	0%
Risk free interest rate (%)	6.92% - 7.41%

* Include impact of issue of bonus share

(vi) Employee wise details of options granted to**(a) Senior Managerial Personnel & Key Managerial Personnel during the year**

Name of the employee	Designation	No. of options granted during the year	Exercise Price (in INR)*
Sohil Dilipkumar Parekh	Chief Financial Officer	195,890	0.0038 to 1
Sunitha Lal	Chief Human Resource Officer	192,672	0.0038 to 1
Ravneet Singh Phokela	Chief Business Officer	255,909	0.0038 to 1
Harendra Saksena	Chief Procurement Officer	179,447	0.0038 to 1
Sanjeev Kumar Singh	Head of Manufacturing	179,447	0.0038 to 1
Milind Suresh Kothekar	Chief of Staff	93,005	0.0038 to 1
Puja Aggarwal	Company Secretary & Compliance Officer	6,630	0.0038 to 1

- (b) Any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year

Name of the employee	Designation	No. of options granted during the year	Exercise Price (in INR)*
NA	NA	NA	NA

- (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Name of the employee	Designation	No. of options granted during the year	Exercise Price (in INR)*
NA	NA	NA	NA

*Includes impact of issue of bonus share

- (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information

(a)	The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Weighted average share price (INR)	1 to 299*
		Exercise Price (INR)	0.0038 to 1*
		Expected Volatility	35%
		Expected life of the Options	5-8 years
		Expected Dividends (%)	0%
		Risk free interest rate (%)	6.92% - 7.41%
		* Include impact of issue of bonus share	
(b)	The method used, and the assumptions made to incorporate the effects of expected early exercise;	Method - Black Scholes, Assumptions - Liquidity Events /Cash settlement / Buy back / Purchase by Investor / IPO	
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	As the Company is unlisted, its share price history is unavailable. Using National Stock Exchange data from three listed entities, a share price volatility of 35% has been assumed.	
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not applicable	

(viii) Disclosures in respect of grants made in three years prior to IPO under Ather Energy ESOP Plan

Particulars	Number of options*
Number of options outstanding at the beginning of the period	8,062,551
Number of options granted during the period	9,661,989
Number of options forfeited / lapsed during the period	788,678
Number of options vested during the period	5,413,184
Number of options exercised during the period**	404,550
Number of shares arising as a result of exercise of options	-
Number of options outstanding at the end of the period	16,531,312

* Include impact of issue of bonus share

** These options were cash settled during the period

D. Details related to Trust: Not applicable

For and on behalf of the Board of Directors of
Ather Energy Limited

Tarun Sanjay Mehta
Executive Director & CEO
DIN: 06392463

Swapnil Babanlal Jain
Executive Director & CTO
DIN: 06682759

Place: Bangalore
Date: May 12, 2025

Place: Bangalore
Date: May 12, 2025