

## Comment regarding approval of the profit (loss) allocation

AUGA group, AB's (the Company) profit for allocation was 11,088,936 EUR as of 31 December 2020. Proposed allocation:

- 207,032 EUR – allocation of profit to compulsory reserve;
- 493,000 EUR – allocation of profit to reserve for granting of shares;
- 10,388,904 EUR – non-allocated profit (loss) at the end of the reporting year carried forward to the next financial year.

Reserve for granting of shares is set to implement a long-term motivation program for employees of the Group (according to the amended Share allocation rules of AUGA Group, AB, approved by the ordinary general meeting of shareholders dated 30 April 2020).

The main guidelines of the program:

- The decision on the allocation of the Shares to the Employees is taken by the board of the Company. The board of the Company is entitled to determine and approve the number of Shares which may be allocated by the decision of the CEO of the Company to the employees subordinated to the management.
- The decision on the allocation of the Shares is based on general corporate performance indicators as well as the Group's Strategy development status and individual business objectives for divisions or their managers or other employees. Clear and transparent distribution must be ensured.
- Share options can be granted to all Managers and Specialists working in AUGA companies for no less than one year; in case of exceptional results, shares may be granted for employees working for less than a year or for some newly joining managers as an incentive and motivation tool.
- It's a long-term motivational program. Shares, allocated under the project, will actually be vested for employees only after 3 years.

The main information about the program:

- Total allocation to reserve for granting of shares as of 31 December 2020 – 2,509,000 EUR (8,651,724 shares by nominal value).
- Shares allocated to employees based on option agreements concluded as of 31 December 2020 and the decision of the Board dated 1 April 2021 – 7,285,690.
- If all accumulated reserves are allocated to employees and new shares are issued, they will amount to 3.66% of the equity of the Company.
- The proposed allocation to reserve of granting shares of 493,000 EUR (1,700,000 shares by nominal value) will amount to 0.71% of the equity of the Company.