Press release

Zielona Góra, January 18, 2022

**LUG starts using the new area of the Research and Development Center in Nowy Kisielin**

**LUG Light Factory Sp. z o.o., a subsidiary of LUG S.A., one of the largest lighting manufacturers on our market, has completed the expansion of its second plant located in Nowy Kisielin. On January 17, 2022,
the final acceptance protocol was officially signed and the facility began to be used.**

The final protocol with comments was signed on January 17, 2022 between the investor, LUG Light Factory
Sp. z o. o. and the general contractor M&J Sp. z o. o. based in Żary. As a result of the acceptance, LUG started
the current use of the new warehouse hall and the added part of the administration building. Finishing works related to the removal of defects will still be carried out on the premises of the facility, which, however, will not affect
the possibility of using the facility.

- Our new warehouse hall is now ready for operation. In the following days, the warehouse will be filled with
the first commodities and products, and office workers will periodically move into the administrative part. The new space will allow us to use the development potential in an even better way, and the new warehouse will free up the existing warehouse space, which will also increase our production capacity. – **says Ryszard Wtorkowski, President of the Management Board of LUG S.A., commenting on the completion of the investment.**

Due to the design changes consisting in redesigning the planned entry and adding one more entrance, their implementation will be covered by an additional annex and was not subject to acceptance activities. Until then,
LUG will use the existing main entrance.

The investment concerned the expansion of a warehouse hall with office and social facilities in the Research
and Development Center of the Group. Thanks to it, the warehouse space increased by 3,000 m2, while the office and social space increased by approx. 500 m2. The center in Nowy Kisielin is the second production plant
of the LUG Group in Poland. The first is the headquarters in Zielona Góra, established in 2008, which was built with funds from the issue of shares. From that moment, the Group did not carry out a comprehensive expansion
of warehouse space, and investments focused on technology and production space. The enlarged facility will improve the Group's warehouse management and provide space for further development of the holding.

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LUG S.A. is a holding company of the LUG S.A. Capital Group. – one of the leading European manufacturers of professional lighting solutions. The Group sells its products in Poland and in dozens of countries around the world. The company with over 30 years of experience, based in Zielona Góra, has been operating as a Capital Group since 2008. It consists of: LUG S.A.,
LUG Light Factory Sp. z o.o., LUG GmbH, LUG do Brasil Ltda, LUG Lighting UK Ltd., TOW LUG Ukraine, BIOT Sp. z o.o.,
LUG Argentina S.A., LUG Turkey, LUG Services Sp. z o. o. and ESCOLIGHT Sp. z o. o. LUG S.A. since November 2007 it has been listed on the NewConnect market managed by the Warsaw Stock Exchange. More information: [www.lug.com.pl](http://www.lug.com.pl)