Press release

Zielona Góra, November 4, 2022

Estimated financial results of the LUG S.A. Capital Group of III quarter 2022

**For the third quarter in a row, LUG maintains an even level of revenues and improves   
its EBITDA**

* **PLN 58,26 mln of consolidated revenues on sales in the III quarter;**
* **PLN 21,39 mln of gross profit in sales, decrease by 3,6% y/y;**
* **PLN 5,66 mln of EBITDA in the III quarter, increase by 81,8% y/y,**
* **PLN 0,74 mln of net profit (-1,3% y/y) and PLN 2,43 mln after 9 months of 2022 (+5,7% y/y).**

**The manufacturer of professional lighting solutions, the Capital Group of LUG S.A., has published estimated results for the third quarter of 2022. The Group's revenues in the III quarter of 2022 amounted   
to PLN 58.26 million and were only 1.1% lower than in the previous year. Total revenue for nine months amounted to PLN 174.97 million, which is an increase by 21.7% compared to the comparative period   
of the previous year. Gross profit on sales reached the level PLN 21.39 million compared to PLN 22.18 million   
in the III quarter of 2021. The net profit generated from July to September approached the level of the third quarter of 2021 and amounted to PLN 0.74 million. This result was positively influenced by both domestic   
and foreign revenues.**

*- The satisfactory dynamics of sales revenues is the result of a significant order portfolio of the LUG Group, which, however, is carried out in unstable economic conditions: constantly increasing transport costs, weakening zloty, volatility in supply chains, higher prices of components and existing payment backlogs. On the one hand,   
these factors have a negative impact on operating conditions, on the other hand, rising energy prices are a market opportunity stimulating demand for our products* – comments on results **Ryszard Wtorkowski,   
CEO of the Management Board of LUG S.A.**

Gross profit on sales generated in the third quarter of this year reached the level of PLN 21.39 million compared   
to PLN 22.18 million in the third quarter of 2021 (a decrease by 3.6% y/y) with a gross margin on sales of 36.7% (decrease by 1.0 p.p. y/y). The product structure of sales of three quarters of 2022 transferred into a gross profit   
on sales of PLN 65.78 million, which was 13% higher than in the previous year. Gross margin on sales after the first three settlement periods of the year amounted to 37.6% and was lower by -2.9 p.p. y/y.

Consolidated EBITDA in the III quarter 2022 amounted to PLN 5.66 million, which is 81.8% higher than   
in the previous year. The EBITDA margin increased in the third quarter of this year. 9.7% and was 4.4 p.p. higher year on year. Cumulatively, EBITDA for the nine months of 2022 amounted to PLN 16.05 million and was 39.8% higher than in the corresponding period of 2021, when it amounted to PLN 11.48 million. EBITDA margin for three quarters of 2022 amounted to 9.2% vs. 8.0% a year ago (+1.2 p.p. y/y).

- *We are working on minimizing of the accumulation of negative factors and counteract the erosion   
of the percentage margin. We adjust our pricing policy and actively manage the terms of cooperation with our partners, additionally expanding the range of suppliers. The steps taken allowed us to limit the declines and maintain the profitability of sales at a safe level* – comments margin level **Ryszard Wtorkowski,   
the CEO of LUG S.A.**

Net profit in the III quarter of 2022 amounted to PLN 0.74 million and remained at a slightly lower level than   
in the corresponding period of 2021. The consolidated net result of the LUG S.A. Capital Group for three quarters of 2022 amounted to PLN 2.43 million compared to PLN 2.3 million in 2021 (+5.7% y/y).

\*\*\*

**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., 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)

Contact for media:

**Monika Bartoszak,** Director of the Management Board and Communication Office

tel. +48 510 183 993, e-mail: [monika.bartoszak@lug.com.pl](mailto:monika.bartoszak@lug.com.pl)

**Kamila Górczyńska-Żyżkowska**, In Touch, tel. +48 601 805 484, e-mail: [kamila.zyzkowska@intouchpr.pl](mailto:)