LUG Spółka Akcyjna
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Subject: Selected Estimated Consolidated Financial Data of the LUG S.A. Capital Group for Q3 2025 and Cumulatively for the First Three Quarters of 2025

Content:
The Management Board of LUG S.A., with its registered office in Zielona Góra ("LUG", "Issuer"), hereby, following receipt today of selected estimated financial data of the LUG S.A. Capital Group for the third quarter and cumulatively for the first three quarters of 2025, as well as information on changes in relation to the financial results presented for the corresponding periods of previous years, submits, attached to this report, selected estimated consolidated financial data for the third quarter and cumulatively for the first three quarters of 2025, together with comparative data for the analogous periods of the financial years 2022-2024 and the commentary below.

The Issuer's Management Board indicates that, in order to ensure data comparability, the results for Q3 2023 and Q3 2024 have been restated in accordance with the change in accounting policy, involving a different approach to the presentation of costs and sales related to Urban lighting management system subscriptions. This policy change was introduced in the annual report for 2024 and is being consistently continued.

- Consolidated sales revenues of the LUG S.A. Capital Group for the analysed period of the third quarter of 2025 amounted to PLN 35.94 million, while cumulative sales for the three quarters of 2025 totalled PLN 145.79 million, compared to PLN 163.42 million for the three quarters of 2024. This represents a decrease in consolidated revenues in the third quarter of 2025 by 41.3% year-on-year and by 10.8% for the three quarters of the current year. In the third quarter of the current year, consolidated sales revenues remained under the influence of coexisting macroeconomic factors, the most significant of which were intense competition and margin compression. These were the result of a reduction in the number of projects in the lighting market and project postponements on an unprecedented scale. The execution of most of the postponed projects had been planned for the second and third quarters of the current year, but ultimately will not commence before 2026 and is dependent on the state of the economy and the developmental capacities of investors. Current macroeconomic data from the construction market – both in Poland and in foreign markets – likewise do not signal an improvement in sentiment. In the eurozone, the annual growth rate in construction is positive, yet monthly data for individual industry segments show declines or very weak results, which is reflected in the PMI index that, throughout 2025, fluctuated below the 50-point threshold, indicating a continued downturn. In

Poland, the cumulative growth rate in construction since the beginning of the year, as at the end of September, stood at -0.8%, and PMI readings consistently hovered around negative levels.

- Gross profit on sales for Q3 2025 reached PLN 13.3 million compared to PLN 23.97 million in the corresponding period of the previous year, representing a decrease of 44.5% year-on-year. On a cumulative basis, for the period from January to September 2025, gross profit on sales amounted to PLN 53.21 million, which is 20.1% lower than in the analogous period of 2024. At the same time, the gross margin on sales for Q3 2025 was 37.0%, down by 2.2 percentage points year-on-year, while the cumulative gross margin for the nine months of the year stood at 36.5%, representing a decrease of 4.3 percentage points year-on-year. These levels were influenced by the previously mentioned pricing pressure, driven by competitive rivalry over a limited number of projects, as well as margin erosion resulting from rising prices due to geopolitical events and developments in the energy sector. Electronic components, in the face of Chinese restrictions on rare earth metals, are increasingly sought after, and their prices have been rising steadily. Meanwhile, high global electricity prices are driving up the costs of the most energy-intensive materials, including steel.

- The operating result for the third quarter of the current year was negative, amounting to PLN -9.34 million compared to PLN 2.45 million in the third quarter of 2024. The consolidated operating result on a cumulative basis, i.e. for the first, second and third quarters of 2025, stood at PLN -11.25 million (versus PLN -403 thousand in the corresponding period of 2024). The operating margin for the third quarter of 2025 was -26%, while for the nine-month period of 2025 it was -7.7%. Given the reported level of operating loss, the consolidated EBITDA result amounted to PLN 7.0 million in the third quarter of 2025 (-227.2% year-on-year), with the EBITDA margin for Q3 2025 at -19.5% (-28.5 percentage points year-on-year). On a cumulative basis, EBITDA for the three quarters of 2025 amounted to PLN -2.14 million, with the EBITDA margin for the period from Q1 to Q3 2025 at -1.5%.

- The consolidated net result of the LUG Capital Group for Q3 2025 amounted to PLN -10.35 million. In connection with the recorded net loss, net profitability for the third quarter stood at -28.8% (-28.2 percentage points year-on-year). For the nine months of 2025, the consolidated net loss reached PLN -13.83 million, resulting in a negative net profitability of -9.5% (-7.5 percentage points year-on-year).

In the third quarter of the current year, the lighting industry continued to grapple with a “market freeze” for yet another period. Despite numerous announcements of new investments and signs of improved market conditions, the number of new projects failed to increase, while those already announced did not progress to the implementation phase, experiencing further postponements. For the LUG Group, the number of cancelled and deferred projects reached a level not seen in two decades, compelling the company to compete on price for a limited pool of orders. In September, the cooling of prices in Polish construction, as indicated by the

construction production price index, amounted to 2.5% year-on-year. As a consequence of these factors, LUG recorded a year-on-year decline in sales volume, and the gross margin on sales was compressed to an unsatisfactory level. This situation was further exacerbated by such factors as Chinese restrictions on the export of rare earth metals, which triggered extraordinary demand for electronic components and drove their prices upwards, as well as rising prices of materials subject to energy-intensive processing, which are sensitive to increases in energy costs. Nevertheless, in both cases, as part of its remedial actions, the LUG Group undertook renegotiations with suppliers and, to the maximum extent possible, is limiting the impact of component prices on sales profitability.

For yet another consecutive period, in the third quarter of 2025, industry indicators did not support the situation of lighting companies, with their readings confirming demand constraints. Following a weak first half of the year in the Polish non-residential construction sector, which saw real declines reach 9%, the third quarter again brought a deterioration in dynamics, with a real decrease of nearly 11%. After three quarters of the year, declines were recorded in hotel buildings (-33%), office buildings (-28%), industrial and warehouse buildings (-12%), public utility buildings (-8%), and retail and service buildings (-6%). Data on construction output for the first three quarters of 2025 indicate a continued negative trend in the engineering sector (a real year-on-year decrease of 1.2%, compared to a 3.2% adjustment after the first half of the year). September also failed to bring any significant changes in investment activity in the area of expressway and motorway construction. No new tenders were announced, no significant contracts were signed, and no new road sections were opened for use.

W ocenie Zarządu Emitenta wynik operacyjny Grupy LUG ucierpiał z powodu okresowego załamania popytu, lecz strukturalna pozycja firmy na blisko 70 rynkach działania pozostaje ugruntowana, o czym świadczy stabilny portfel zamówień na 2026 rok, na który składają się m.in. kontynuacje projektów dla miasta Haga, Jena czy Warszawa. Jednocześnie Zarząd zdaje sobie sprawę z konsekwencji presji kosztowej, która istotnie ograniczyła rentowność firmy, a w następstwie zmusiła organizację do wdrożenia działań naprawczych. Polegają one na dostosowaniu firmy do realizacji niższych poziomów sprzedażowych możliwych do osiągnięcia w obecnych warunkach, po to aby odzyskać rentowność. Do najważniejszych elementów planu naprawczego należy dostosowanie struktury zasobów do warunków ekonomicznych, reorganizacja struktury sprzedażowej, program oszczędnościowy nieobligatoryjnych kosztów bieżących oraz redukcja kosztów stałych, polityka skracania terminów płatności, egzekucji należności i szybszej konwersji gotówki, wzmocnienie obecności w segmentach branży dotychczas słabiej reprezentowanych poprzez wdrażanie nowych wysokomarżowych produktów oraz wspomniany wcześniej program renegocjacji warunków dostaw. W wyniku podjętych działań Zarząd Emitenta oczekuje poprawy marż w 2026 roku i osiągnięcie akceptowalnych poziomów rentowności będących podstawą do dalszego rozwoju firmy.

In the opinion of the Issuer's Management Board, the operating result of the LUG Group has suffered due to a temporary collapse in demand; however, the company's structural position across nearly 70 markets remains solid, as evidenced by a stable order book for 2026, which includes, among others, the continuation of projects for the cities of The Hague, Jena, and Warsaw. At the same time, the Management Board recognises the consequences of cost pressures, which have significantly constrained the company's profitability and, as a result, necessitated the implementation of remedial measures. These measures involve adapting the company to operate at lower sales levels achievable under current conditions in order to restore profitability. The key elements of the recovery plan include aligning resource structures with prevailing economic conditions, reorganising the sales structure, implementing a cost-saving programme for non-essential ongoing expenses, reducing fixed costs, pursuing a policy of shorter payment terms, stricter receivables collection and faster cash conversion, strengthening the company's presence in industry segments that have so far been underrepresented through the introduction of new high-margin products, as well as the aforementioned programme of renegotiating supply terms. As a result of these actions, the Management Board of the Issuer expects an improvement in margins in 2026 and the achievement of acceptable levels of profitability that will form the basis for the company's further development.

In the opinion of the Management Board, the existing risk factors that may impact the condition of entities within the lighting industry remain consistently relevant: unfavourable economic conditions, weak order dynamics, limited investment activity, payment bottlenecks and liquidity challenges, wage pressure, as well as the low responsiveness of the lighting sector to improvements in macroeconomic indicators. The increasing level of contracted EU funds from the National Recovery Plan (KPO) and the 2021–2027 perspective, the forthcoming major investments in Poland and across Europe, and, finally, the steadily growing project portfolio of the LUG Group are signals of stabilisation within the industry and the emergence of a recovery on the horizon. However, before this occurs, the priority of the Management Board will be to guide the LUG Group through this challenging period and to restore business equilibrium.
The final values of the financial data presented in this report will be published in the interim report for the third quarter of the current year on 13 November 2025.

Legal basis: Art. 17(1) MAR – inside information

Attachment: Estimated consolidated selected financial data for Q3 and cumulatively for the First Three Quarters of 2025

Persons representing the company:
Ryszard Wtorkowski – President of the Management Board