



Strategic directions of development of LUG S.A. Capital Group 2023 - 2026

MARKET CONTEXT

Our new strategy takes into account the market context that creates opportunities and development challenges.

Geopolitical and economic changes

- The war in Ukraine and the change of the socio-economic balance in the region and in the world;
- Disturbances in supply chains and the search for a new equilibrium in commodity prices;
- Economic, inflation, currency and other changes.

Long-term trends

- Rising electricity prices;
- Regulations limiting greenhouse gas emissions;
- New financing opportunities for environmentally sustainable investments;
- Surrounding in the VUCA model.

New business opportunities

- Investors looking for new sources of investment financing.
- Competency-extensive structure of the LUG Group opening new development opportunities.

STABLE FOUNDATIONS

We are entering a new strategic period stably, based on developed resources, many years of experience, extensive infrastructure and as an expert in lighting.

2022:
Sales revenue
of LUG S.A. Capital Group

238
mln PLN

2022:
EBITDA
of LUG S.A. Capital Group

19
mln PLN

3

production
plants

75

markets

10

companies
In the Group

190

lm/W record
effectiveness of LUG
luminaires

>50

SMART
projects

477

thousand
LUG luminaires
sold in 2022

MISSION

We will develop based on the operating philosophy reflected in the new mission.

Through light,
we create
a sustainable environment
for living and developing
for a better tomorrow.

VALUES

We are a family company whose roots have their source in the values we profess, from which they draw strength and inspiration.

- Innovation
- Partnership
- Responsibility
- Trust
- Sustainable development

STRATEGIC OBJECTIVES

By 2026, we want to achieve strategic goals based on 4 pillars of growth.

Transformation to services

- Financing, consultancy, design, execution, maintenance and development available as services.
- Knowledge and experience as added value to products.

International partnerships

- LUG as a center of the international community of customers, suppliers and partners.
- Strong and recognizable international brand.

Sustainable growth

- Fast, efficient, flexible production.
- Socially responsible organization.

Quality of life innovations

- New solutions for a higher quality of life.
- Agile unit for implementing product and service innovations.
- Development of SMART verticals.

STRATEGIC MEASURES

The measure of our success will be the completion of strategic measures in the perspective until 2026.

7%
NET
PROFITABILITY
OF LUG S.A. CAPITAL GROUP
IN THE PERSPECTIVE UNTIL 2026

75%
REVENUES
FROM FOREIGN MARKETS
CONSOLIDATED
IN THE PERSPECTIVE UNTIL 2026

KEY STAKEHOLDERS

We will pursue the directions of strategic development by strengthening relations with groups of stakeholders.

Architecture



Creates space, decides about the elements of owned project in cooperation with industry experts.

Placemaking



With visions and decisions changes the space around us.

Industry



Cares about good quality and efficiency of its employees working environment.

Supply Chain



Develops with us, shares knowledge and inspires further action.

Organizational structure



Cooperates and contributes experience and competences to the development of the organization.

Capital investments



Commits resources, time and experience to increase the value of the company.

AREAS OF STRATEGIC ACTIVITY

Implementation of strategic development directions has its beginning within the organization. That is why we have designated the areas of action around which our projects and initiatives will focus.



OUR VALUES

Behind each of our values are our commitments, which we follow in our daily activities.



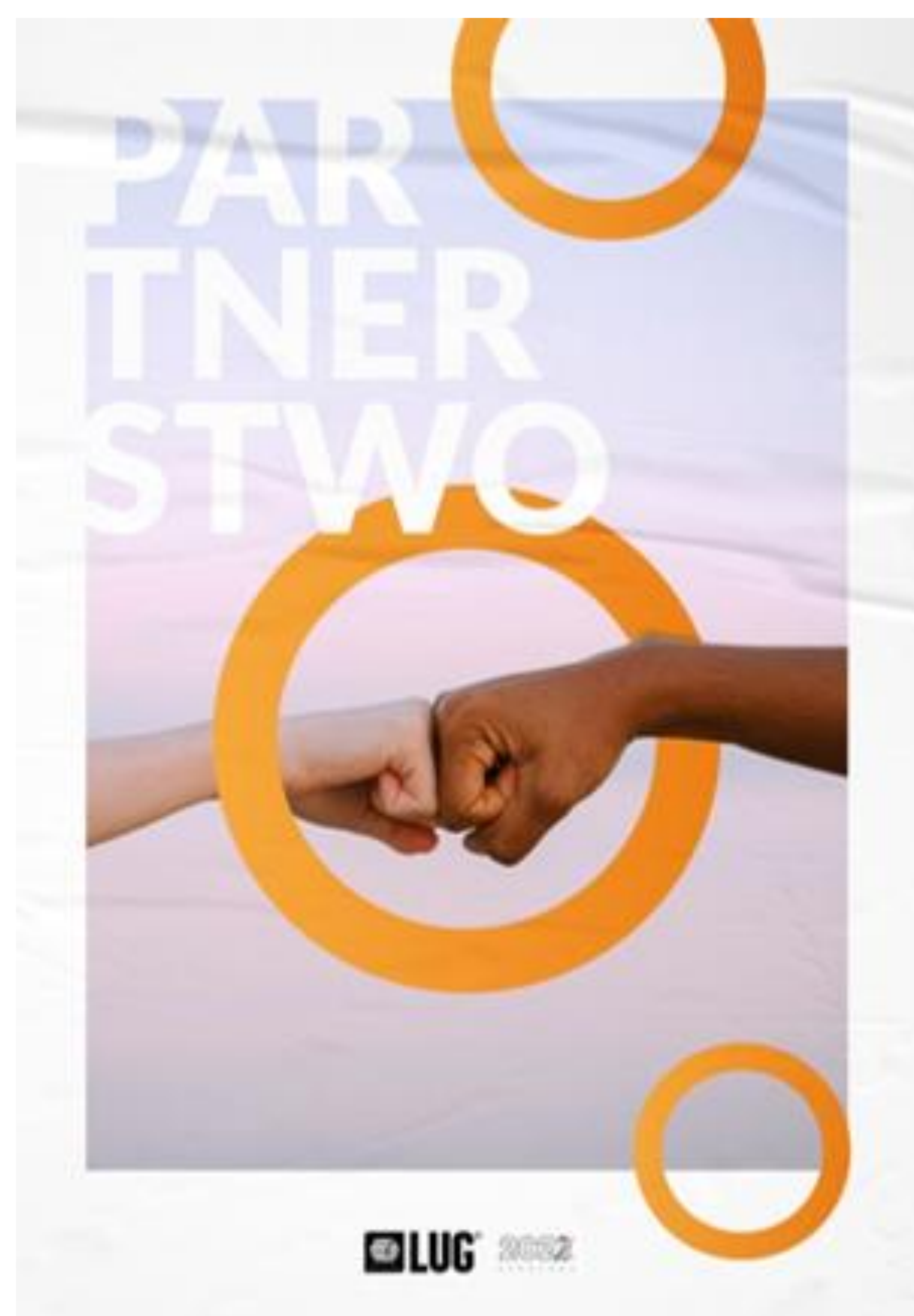
TRUST

- we trust each other and our own competences;
- we appreciate the value each of us brings;
- we pursue common goals;
- We are sure, that we can count on each other;
- we Focus on dialogue and transparency of the decision-making process;
- we follow the rules we have developed together.



RESPONSIBILITY

- we are committed to the vision of our company;
- we fulfill our duties with the utmost care;
- we willingly share knowledge, experience and ideas;
- we provide the highest quality of products and services delivered by us;
- we care about a good opinion about the company and proudly represent it;
- we are consistent in achieving common goals.



PARTNERSHIP

- we listen carefully to each other;
- we build relationships based on honesty and trust;
- we focus on reliability and professionalism;
- we respect diversity and everyone as they are;
- we try to understand individual needs;
- we communicate in a transparent manner.



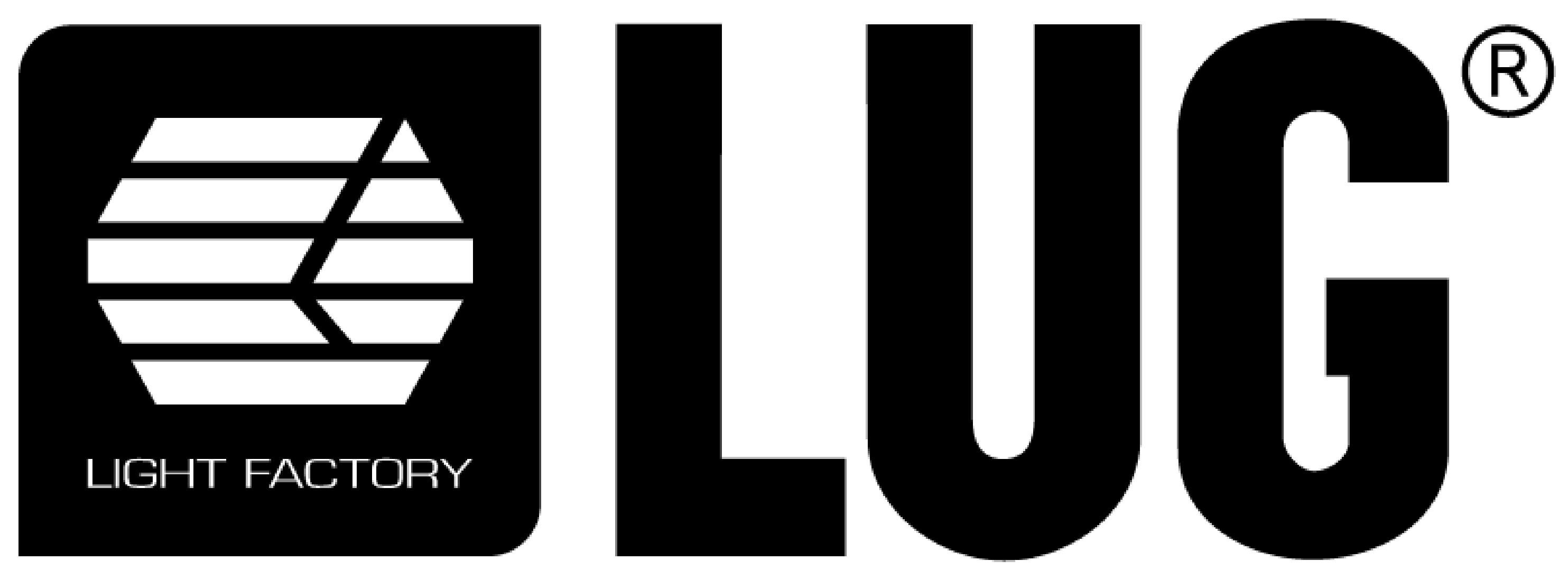
INNOVATION

- we seek and implement new ways of action to achieve the company's goals;
- we are open to new initiatives and changes;
- we boldly take up challenges;
- we are able to draw conclusions from our actions;
- we are flexible;
- we are open-minded to new ideas.



SUSTAINABLE DEVELOPMENT

- we are constantly improving and we teach new things;
- we care about the environment;
- we take responsibility for our impact on the company's environment;
- we care about satisfying the needs of: customers, employees, suppliers, shareholders and the local community;
- we develop our competences to work as a team we expand our knowledge to design products and services in accordance with NCL.



2022

S T R A T E G Y

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