

**Report's type:** Current report

**Number:** 5/2023

**Entity:** LUG S.A.

**Date:** 12.05.2023

**Time:** 19:26

**Subject:** Recommendation of the Management Board on covering the net loss of LUG S.A. for 2022.

The Management Board of LUG S.A. with its headquarters in Zielona Góra („Company”) informs, that on May 12,2023 adopted a resolution No. 01/05/2023 regarding the application to the Ordinary General Meeting to cover the net loss of LUG S.A. for 2022 in the amount of PLN 618,762.83 (in words: six hundred and eighteen thousand, seven hundred and sixty-two zlotys and eighty-three groszy) with supplementary capital.

Management Board of LUG S.A. will not recommend the payment of dividend for 2022 from reserve capital.

At the same time, the Company informs that pursuant to art. 382 §3 of the Code of Commercial Companies and §23 sec. 2 of the Company's Articles of Association, this request was addressed to the Supervisory Board of the Company, which evaluated it positively and did not submit any comments.

The final decision regarding the distribution of profit of LUG S.A. for 2022 will be taken by the Ordinary General Meeting of the Company.

**Legal basis:**

§4 para. 6 of Appendix No 3 to the Rules of the Alternative Trading System "Current and periodic information provided in the alternative trading system on NewConnect".

**Company's Representative:**

Ryszard Wtorkowski – CEO of the Board