

LARQ S.A.

CURRENT REPORT 13/2017

Subject:

2017 Performance Forecast for LARQ Portfolio Companies

General Legal Basis:

Article 17 (1) of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

Text of Report:

The Management Board of LARQ S.A. of Warsaw (hereinafter: "LARQ") hereby reports that it has prepared the 2017 performance forecast for the LARQ portfolio companies.

Considering the present situation and plans made by each company, the Management Board of LARQ hereby presents this forecast of performance for each company in 2017, i.e., for the period from 1 January 2017 to 31 December 2017:

- Nextbike Polska S.A. - Poland's largest supplier and operator of city bike sharing systems:
 - Number of bikes in operation will grow by 66% up to 13,000 from 7,800 at the end of 2016, mostly thanks to tenders already (as far as we are aware at the publication date of this report) awarded for delivery and service of city bike sharing systems in 2017;
 - Revenue from sales of PLN 40.1 million; growth by 16% from PLN 34.6 million in 2016;
 - EBITDA of PLN 15.5 million; growth by 21% from PLN 12,8 million in 2016.;
- Brand 24 S.A. - owner of a proprietary tools to monitor online content, sold under the SaaS model (Software as a Service):
 - Number of active clients will increase by 37% up to 2,069 users from 1,507 at the end of 2016, mostly building on the continued growth of its global customer base;
 - Revenue from sales of PLN 7.4 million; growth by 47% from PLN 5 million in 2016;
 - EBITDA loss of PLN 0.3 million compared to the loss of PLN 0.2 million in 2016;
- Synergic Sp. z o.o. - leading operator and owner of a non-standard outdoor advertising media in Poland:
 - Its base of advertising media available for sale will grow by 69% from 22,100 m² up to 37,300 m² thanks to the acquisition of new advertising space on city bikes and two new business lines added to its offer (advertising space alongside highways and at ATMs);

- Revenue from sales of PLN 32.4 million; growth by 19% from PLN 27.2 million in 2016;
- EBITDA profit (net of intercompany transactions) of PLN 6.3 million; growth by 21% from PLN 5.2 million in 2016.

Furthermore, LARQ and other portfolio companies (except for Nextbike Polska S.A., Brand24 S.A. and Synergic Sp. z o.o.) are expected to generate EBITDA loss in 2017 (excluding the impact of a change in measurement of financial assets at fair value) of approx. PLN 7.1 million compared to EBITDA loss of PLN 6.2 million in 2016. LARQ's costs forecast for 2017 include the costs of its incentive scheme equal to PLN 1.4 million compared to PLN 0.5 million in 2016.

The Management Board of LARQ has assumed that the business environment will not change significantly in 2017 as compared the current situation, and that there will be no new factors that might significantly reduce the demand for products and services offered by LARQ portfolio companies.

The Management Board of LARQ will monitor the feasibility of this forecast through ongoing analysis of the execution of budgets of the portfolio companies and through analysis of the basic external factors affecting the performance of those companies.

This forecast does not include LARQ's performance as it does not take into account changes in measurement of assets that are measured at fair value by LARQ. LARQ is an investment entity and, as of its 2016 annual report, all its investments in shareholdings of portfolio companies are measured at fair value through profit or loss in accordance with the IFRS requirements.

Report Date

28 April 2017