

LARQ S.A.

CURRENT REPORT 15/2017

Subject:

Resolution adopted by the Company's Management Board to Increase the Share Capital within the Authorised Capital

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: the "**Issuer**" or the "**Company**") hereby informs that, on 18 April 2017, the Management Board of the Company passed a resolution to increase the share capital pursuant to its authorisation to increase the share capital up to the authorised capital as afforded to it under the Company's Articles of Association (§ 5a of the Articles of Association of the Company) (hereinafter: the "**Increase Resolution**").

By virtue of the Increase Resolution, the Management Board of the Company resolved to increase the Company's share capital from **PLN 733,450** (seven hundred thirty three thousand four hundred fifty zlotys) up to **PLN 770,450** (seven hundred seventy thousand four hundred fifty zlotys), i.e. by **PLN 37,000** (thirty seven thousand zlotys) through issuance of **370,000** (three hundred seventy thousand) authorised fresh ordinary shares of series H of a par value of PLN 0.10 (ten grosz) each (hereinafter: the "**Shares**").

Upon registration of the share capital increase pursuant to the Increase Resolution, the Issuer's share capital will be **PLN 770,450** (seven hundred seventy thousand four hundred fifty zlotys) and will be divided into **7,704,500** (seven million seven hundred four thousand five hundred) shares of a par value of PLN 0.10 (ten grosz) each.

The Shares' issue price per share was set by the Management Board after securing the prior approval of the Company's Supervisory Board as required under § 5a.3 of the Articles of Association of the Company, and is equal to **PLN 17.00** (seventeen zlotys) (the "**Issue Price**"). The Issue Price exceeds the average market price of the Company's shares on the regulated market operated by the Warsaw Stock Exchange (the "**WSE**") during the last six months preceding the date of passing the Increase Resolution. The Management Board of the Company dis-applied all subscription rights of the existing shareholders after securing the prior approval of the Issuer's Supervisory Board. The dis-application of the shareholders' right to subscribe for series H shares is in the Issuer's interest and is advisable, mostly in light of advantages of attracting new reputable shareholders to the Company, increasing the liquidity of the Company's shares and raising its profile.

The Shares issued based on the Increase Resolution will be offered through a private placement, with the dis-application of subscription rights of the existing shareholders,

and the Shares will be subscribed based on an offer made by the Company and accepted by the relevant addressee, further provided that the Shares subscription offer will be addressed to no more than 149 (one hundred forty nine) players.

The Shares will be dematerialised and then their admission to trading on the regulated market operated by the Warsaw Stock Exchange will be sought.

Report Date:

18 May 2017