

LARQ S.A.

CURRENT REPORT 27/2017

Subject:

Execution of Private Placement Share Subscription Agreements by the Issuer's Subsidiary and Acquisition of Shares in Nextbike Polska S.A. by the Issuer

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:

With reference to the Current Reports No. 14 of 15 May 2017 and No. 25/2017 of 12 June 2017, the Management Board of LARQ S.A. of Warsaw (the "**Issuer**") hereby informs that the Management Board of the Issuer's subsidiary – NEXTBIKE POLSKA S.A. of Warsaw ("**NEXTBIKE**") entered into the agreements for subscription of NEXTBIKE shares with the investors for the aggregate number of 51,000 shares of series C having a total value of PLN 6,000,150.00 (six million one hundred fifty 00/100 zlotys) being the maximum authorised number of shares for increasing NEXTBIKE's share capital; the implied valuation of NEXTBIKE is PLN 126 million. The share subscription agreements were signed for their private placement by NEXTBIKE.

The shares were subscribed by several dozen professional (institutional and individual) investors active on the capital market. The private placement of shares was also subscribed by: Mr. Mikołaj Chruszczewski - Member of the Issuer's Management Board and Member of NEXTBIKE's Supervisory Board; Mr. Piotr Krawczyński – Member of the Issuer's Supervisory Board and Member of NEXTBIKE's Supervisory Board; and Mr. Tomasz Wojtkiewicz – President of Management Board of NEXTBIKE.

Furthermore, the Issuer reports that it has purchased from NEXTBIKE's shareholder - Nextbike GmbH – 17,050 ordinary bearer shares of series B for the price of PLN 117.65 per share, i.e., for the price equal to the issue price of the series C shares, having the total value of PLN 2,005,932.50. Upon the closing of this transaction and assuming that the share capital increase by the series C shares will be registered with the National Court Register, the Issuer will control, directly or indirectly, shares that represent jointly a 68.6% stake in NEXTBIKE's share capital or 71.3% of total votes at the general meeting of NEXTBIKE.

NEXTBIKE has agreed to the investors that it will file the application for registration of the capital increase with the National Court Register within seven days of the execution of all agreements for subscription of series C shares. At the same time, NEXTBIKE agrees to take the relevant steps in order to admit the shares of series B and C to trading in the alternative trading system - NewConnect operated by the Warsaw Stock Exchange.

Report Date:

21 June 2017