

LARQ S.A.

CURRENT REPORT 38/2017

Subject:

Disclosure of Changed Stake in the Subsidiary's Share 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:

With reference to the Current Report 42/2016, the Management Board of LARQ S.A. of Warsaw (the "**Issuer**") hereby informs that, on 6 October 2017, the Members of Management Board of BRAND 24 and its key managers who are members of the incentive scheme launched by BRAND 24, subscribed for 76,754 ordinary registered shares of series G with a par value of PLN 0.10 each in BRAND 24 S.A. of Wrocław (hereinafter: "**BRAND 24**") – being an indirect subsidiary of the Issuer; the shares were issued as a part of the conditional increase of BRAND 24's share capital.

The series G shares in BRAND 24 were taken up by the holders of subscription warrants of series A, namely by Mr. Michał Sadowski – President of the Management Board of BRAND 24, Mr. Piotr Wierzejewski – Member of the Management Board of BRAND 24, and the following key managers of BRAND 24: Mr. Mick Griffin and Mr. Leszek Kasprzyk, upon fulfilment of the conditions set forth in the rules of the incentive scheme. In connection with the subscription of the series G shares, on 6 October 2017, the Management Board of BRAND 24 resolved to redeem and cancel 76,934 subscription warrants of series A.

Following the subscription of the series G shares, the share capital of BRAND 24 was increased from PLN 173,344.40 up to PLN 181,019.80 and now is divided into 1,810,198 shares; the Issuer's stake in the increased share capital of BRAND 24 (via LARQ Growth Fund I FIZ) is now 45.51%.

Report Date:

6 October 2017