Warsaw, 16 November 2017

**LARQ – 1-3Q 2017 Summary**

* **Material growth in the value of investment portfolio and led to generation of the net profit of PLN 36.6 million for 1-3Q 2017, building on the high current market valuation of Nextbike Polska shares and the fast development of its main portfolio companies:**
* **Nextbike Polska grew its bicycle fleet up to 11,800; it acquired a foreign license and its first international contract from the City of Turku in Finland; it acquired another strategic partner – PKN ORLEN**
* **Number of active customers of Brand24 grew up to 1,912 (at the end of September 2017); fast development of the global version of its tool**
* **Synergic has successfully commercialised the advertising media base, i.a. city bikes and new business lines (ATM and large-format highway advertising)**
* **Nextbike Polska debuted on NewConnect on 23 August 2017 with valuation of PLN 126 million**
* **Brand24 closed its private placement (post the balance sheet date) with the implied valuation of PLN 60 million.**

LARQ S.A., an investment entity that manages companies active in the area of innovative media, new technologies and infrastructure, published the financial results for 1-3Q 2017. In 2016, the company concluded its transformation phase and LARQ S.A. became an investment entity and, as of the 2016 annual financial statements, all investments in its interests of portfolio companies are measured at fair value through profit or loss in accordance with the IFRS requirements. In 1-3Q 2017, the value of the company’s investment portfolio soared by over PLN 52 million and amounted to PLN 142 million. That growth is mostly the effect of squeezing the real value out of assets based on Nextbike Polska’s IPO whereunder that company’s valuation exceeded PLN 126 million, and the good performance of LARQ’s other portfolio companies. Consequently, LARQ’s net profit grew up to PLN 36.6 million for 1-3Q 2017.

*‘The last quarter and the period of nine months of 2017 were successful for our main portfolio companies which was favourably reflected in the level of valuation of our investment portfolio and the financial performance of LARQ. Nextbike Polska grew its bicycle fleet up to the record level of almost 12,000 bikes due to the system expansion is cities and towns where city bikes have already become an important component of the public transportation, as well as thanks to putting into operation several systems in new towns. In August, following the success of its private placement, the Company debuted on NewConnect and by being awarded its first international contract by the City of Turku in Finland, it has proven the ability to do business not only in Poland but also abroad. The potential of sustainable transport is also appreciated by further companies, for example PKN ORLEN that signed a contract with Nextbike for the supply and operation of a bike-sharing system compatible with the urban systems. In addition to Citibank and Benefit Systems, it is another very prestigious strategic partner of Nextbike which adds to our optimistic outlook as to the company’s development prospects.*

*As expected, Brand24 has reported a very rapid growth in the number of active customers; at the end of September, their number exceeded 1,900, i.e. it was 54% more than the last year. In October, the number of active customers went beyond 2,000. We believe that this impressive growth rate of Brand24 could even improve with the funds raised in the recent private placement.*

*Despite its established position in the market, our third key portfolio company, Synergic, is also able to report high two-digit growth figures. Its revenue for 1-3Q 2017 also grew by 23% yoy and EBITDA went up by 32% yoy. It is the effect of commercialisation of advertising space by Synergic building on the growing base of bicycle space and addition of new business lines to the media portfolio, such as ATMs and highway media. The growth in revenue combined with the cost discipline translates into a steady growth in margins by that company’* says Mikołaj Chruszczewski, Board Member of LARQ S.A.

On 23 August 2017, the first company from LARQ’s portfolio: Nextbike Polska debuted on the NewConnect market. Its debut was preceded by the private placement closed in June 2017; the company raised PLN 6 million for further development through that placement. The placement implied the valuation of Nextbike Polaka at the level of PLN 126 million. In November 2017, another portfolio company of LARQ, Brand24, carried out is private placement. The issue price was set at PLN 31.76 which implies the company’s valuation of ca. PLN 60 million.

*‘We have hinted recently that, together with other Brand24 shareholders, we are about to select the best form of funding to accelerate the development of that company. We have decided to proceed with a private placement and its publication as we believed it to be the best form to raise additional capital for both Brand24 and its shareholders. We are very glad that the market enthusiastically accepted the past achievements and the future plans of Brand24 as mirrored by the satisfactory valuation of another company from LARQ’s portfolio’* adds Mikołaj Chruszczewski.

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LARQ S.A.(twitter IR: [@LARQgroup](https://twitter.com/LARQgroup?ref_src=twsrc%5Etfw)) is a Polish holding company listed on the main market of the Warsaw Stock Exchange; it manages companies active in the area of innovative media, new technologies and infrastructure. Its business hinges on the dynamically developing companies that dominate their market segments, such as:

* Nextbike Polska – the largest supplier and operator of city bike sharing systems in Poland. At present, the company managed the fleet of ca. 12,000 bikes in 26 towns and cities;
* Synergic – Poland’s leading operator and owner of non-standard outdoor advertising media. The company’s clients display their advertisements at almost all Polish airports and key bus and railway stations. The company is the exclusive operator of advertising space on city bikes and in underground passages in the largest cities in Poland;
* Brand24 – the owner of a proprietary tool to monitor online content, sold under the SaaS model (Software as a Service). The company enjoys a dominant position on the Polish market in that product category. Brand24 has successfully commercialised its unique solution on the global market.

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