

Current Report Number 10/2018

Report Date: 13 July 2018

Subject: Delivery of Share Certificates for the Conditional Increase of Larq S.A. Share Capital

Legal Basis: Article 56 (1) (2) of the Offering Act – Current and Periodic Information

Text of the Report:

The Management Board of Larq S.A. of Warsaw (the "**Company**") hereby reports that following the subscription on 13 July 2018 by Mr. Mikołaj Konrad Chruszczewski, holder of series C subscription warrants, of 125,000 ordinary bearer shares of series F in the Company of a par value of PLN 0.10 each, that were issued by the Company in exercise of rights that have vested in the holder of series C subscription warrants under the incentive scheme adopted by the Company (the "**Scheme**"), pursuant to:

- (i) Resolution 16/15 of the Extraordinary General Meeting of the Company held on 31 August 2015 regarding the issuance of subscription warrants of series A, B and C carrying the right to subscribe for Series F Shares and the dis-application of the existing shareholders' right to subscribe for subscription warrants of series A, B and C in connection with the Incentive Scheme for the Company's executives;
- (ii) Resolution 17/15 of the Extraordinary General Meeting of the Company held on 31 August 2015 regarding the conditional increase in share capital through issuance of Series F Shares and the dis-application of the existing shareholders' right to subscribe for Series F Shares, and the amendments to the Company's Articles of Association (the "**Conditional Capital Increase Resolution**"),

global certificates were issued under the Scheme on 13 July 2018, representing 125,000 ordinary bearer shares of series F (the "**Series F Shares**").

Furthermore, the The Management Board reports that following the subscription on 13 July 2018 by Ms Małgorzata Dzięcioł and Mr. Jakub Kurzynoga, holders of series D2 subscription warrants, of, respectively, 25,000 and 75,000 ordinary bearer shares of series G in the Company of a par value of PLN 0.10 each, that were issued by the Company in exercise of rights that have vested in the holder of series D2 subscription warrants under the incentive scheme adopted by the Company (the "**Scheme 2**"), pursuant to:

- (i) Resolution 23/16 of the Annual General Meeting of the Company held on 31 August 2016 regarding the issuance of subscription warrants of series D carrying the right to subscribe for Series G Shares and the dis-application of the existing shareholders' right to subscribe for subscription warrants of series D in connection with the Incentive Scheme for the Company's executives;
- (ii) Resolution 24/16 of the Annual General Meeting of the Company held on 31 August 2016 regarding the conditional increase in share capital through issuance of Series G Shares and the dis-application of the existing shareholders' right to subscribe for Series G Shares, and the

amendments to the Company's Articles of Association (the "**Conditional Capital Increase Resolution 2**"),

global certificates were issued under the Scheme 2 on 13 July 2018, representing, 25,000 and 75,000 ordinary bearer shares of series G (the "**Series G Shares**").

In accordance with the Commercial Companies Code, the delivery of Series F Shares and Series G Shares in fulfilment of the Scheme and Scheme 2, respectively, triggered the vesting of rights attaching to the Series F Shares and Series G Shares and the increase of the Company's share capital by the sum equal to the par value of the Series F Shares and Series G Shares that were acquired under the Conditional Capital Increase Resolution and Conditional Capital Increase Resolution 2, namely by PLN 12,500 and PLN 10,000, respectively, (for the total amount of PLN 22,500). Therefore, the share capital of the Company was increased from PLN 776,783.30 up to PLN 799,283.30.

Following the issuance of the Series F Shares and Series G Shares, the Company's share capital is now PLN 799,283.30 and is divided into 7,992,833 shares of a par value of PLN 0.10 each, specifically: (i) 975,000 ordinary bearer shares of series A; (ii) 1,225,500 ordinary bearer shares of series B; (iii) 500,000 registered preference shares of series C1, (iv) 500,000 registered preference shares of series C2. (v) 500,000 registered preference shares of series C3; (vi) 500,000 registered preference shares of series C4; (vii) 500,000 registered preference shares of series C5; (viii) 500,000 registered preference shares of series C6; (ix) 84,000 ordinary bearer shares of series D; (x) 2,000,000 ordinary bearer shares of series E, (xi) 225,000 ordinary bearer shares of series F; (xii) 113,333 ordinary bearer shares of series G; and (xiii) 370,000 ordinary bearer shares of series H.

The registered shares of series C1, C2, C3, C4, C5 and C6 are preferred so that each share of those series carries two votes at the General Meeting of the Company.

The total votes in the Company, carried by all shares in issue, are 10,992,833.

Following the issuance of the global certificates for the Series F Shares and the Series G Shares on 13 July 2018, the amount of conditional share capital increase is PLN 45,000.00.

Pursuant to Article 452 §4 of the Commercial Companies Code, the Management Board shall file the list of shares that were acquired and issued with the Registration Court in order to update its registration of share capital, within the deadline set in the applicable regulations.

Specific Legal Basis:

§ 5 (1) (8) of the Finance Minister's Regulation of 29 March 2018 on current and periodic information to be provided by issuers of securities, and conditions for recognising as equivalent information required under regulations of a non-member state.