

LARQ S.A.

CURRENT REPORT 18/2018

Subject:

2018 Performance Forecast for LARQ Portfolio Companies

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: "LARQ", "the Issuer") hereby reports that it has prepared the 2018 performance forecast for the LARQ portfolio companies.

Considering the present situation and plans made by each company, the Management Board of LARQ hereby presents this forecast of performance for each company in 2018, i.e., for the period from 1 January 2018 to 31 December 2018:

- Nextbike Polska S.A. - Poland's largest supplier and operator of city bike sharing systems:
 - Number of bikes in operation will grow by 46% up to 17,800 from 12,200 at the end of 2017;
 - Revenue from sales of PLN 70.5 million; growth by 62% from PLN 43.5 million in 2017;
 - EBITDA of PLN 16.4 million; growth by 8% from PLN 15.2 million in 2017;
- Brand 24 S.A. - owner of a proprietary tool for online content monitoring, sold under the SaaS model (Software as a Service):
 - Number of active clients will increase by 34% up to 2,935 users from 2,196 at the end of 2017;
 - Revenue from sales of PLN 10.8 million; growth by 42% from PLN 7.6 million in 2017;
 - EBITDA loss of PLN 0.9 million compared to the loss of PLN 0.3 million in 2017;
- Synergic sp. z o.o. - leading operator and owner of a non-standard outdoor advertising media in Poland:
 - Its base of advertising media available for sale will grow by 22% up to 49,300 m² from 40,400 m² at the end of 2017;
 - Revenue from sales of PLN 38,0 million; growth by 7% from PLN 35,5 million in 2017;
 - EBITDA profit (net of intercompany transactions) of PLN 8.2 million; growth by 27% from PLN 6.5 million in 2017;
- Youlead sp. z o.o. in organisation (this company is being spun off Intelisoft sp. z o.o.) – the owner of extended sales & marketing automation class tool for

supporting the generation and conversion of sales leads, sold under the SaaS model:

- Number of active clients will increase by 31% up to 70 users from 53 users at the end of 2017;
 - Revenue from sales of PLN 1.8 million; growth by 31% from PLN 1.4 million in 2017;
 - EBITDA loss of PLN 0.4 million compared to the profit of PLN 0.1 million in 2017.
- The Issuer and other companies:
 - EBITDA loss of PLN 4.9 million compared to the loss of PLN 8.8 million in 2017 (inclusive of the incentive scheme costs of PLN 0.4 million compared to PLN 3.5 million in 2017, and excluding the impact of changes in valuation of assets that are measured by LARQ at fair value.

The Management Board of LARQ has assumed that the business environment will not change significantly in 2018 as compared the current situation, and that there will be no new factors that might significantly reduce the demand for products and services offered by LARQ portfolio companies.

The Management Board of LARQ will monitor the feasibility of this forecast through ongoing analysis of the execution of budgets of the portfolio companies and through analysis of the basic external factors affecting the performance of those companies.

Report Date:

18 October 2018