

LARQ SPÓŁKA AKCYJNA FINANCIAL STATEMENTS

For the Period Ended on 31 March 2018

LARQ Spółka Akcyjna of Warsaw

Warsaw, 21 May 2018



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Financial Statements of LARQ S.A. for the 1st Quarter of 2018

(all amounts presented in PLN unless stated otherwise)

1. FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS	PLN '000		EUR ' 000	
	01.01- 31.03.2018	01.01- 31.03.2017	01.01- 31.03.2018	01.01- 31.03.2017
I. Net revenue from sale of finished products, merchandise and materials	617	791	148	185
II. Operating profit (loss)	18,117	2,764	4,336	644
III. Profit (loss) before taxation	18,123	2,715	4,337	633
IV. Net profit (loss)	14,461	2,049	3,461	478
V. Net cash flows from operating activities	(528)	24	(126)	5
VI. Net cash flows from investing activities	(56)	(112)	(13)	(26)
VII. Net cash flows from financing activities	-	(87)	-	(20)
VIII. Total net cash flows	(584)	(175)	(140)	(41)
IX. Earnings per ordinary share (PLN/EUR)	1.86	0.28	0.45	0.07
X. Diluted earnings per ordinary share (PLN/EUR)	1.86	0.28	0.45	0.07
	Balance at 31.03.2018	Balance at 31.12.2017	Balance at 31.03.2018	Balance at 31.12.2017
IX. Total assets	170,469	152,304	40,506	36,516
X. Liabilities and provisions for liabilities	19,033	15,865	4,523	3,804
XI. Non-current liabilities	12,916	9,254	3,069	2,219
XII. Current liabilities	6,118	6,611	1,454	1,585
XV. Equity	151,436	136,439	35,983	32,712
XVI. Share capital	777	777	185	186
XVII. Number of shares	7,767,833	7,767,833	7,767,833	7,767,833
XVIII. Book value per share (PLN/EUR)	19.50	17.56	4.63	4.21
XIX. Diluted book value per share (PLN/EUR)	19.50	17.56	4.63	4.21
XX. Dividend declared or paid per share (PLN/EUR)	-	-	-	-

The figures presented as "Financial Highlights" from the statements of profit or loss, other comprehensive income, financial position and cash flows were translated from PLN to EUR as follows:

- The items of assets, liabilities and equity in the statement of financial position were translated at the average rate as published by the National Bank of Poland for EUR, i.e., EUR 1 = PLN 4.2085 as prevailing on 31 March 2018 and EUR 1 = PLN 4.1709 as prevailing on 29 December 2017;
- The items in the statements of comprehensive income and cash flows were translated at the rate equal to the arithmetic average of average rates as published by the National Bank of Poland for EUR and applicable on the last day of each month during the period concerned, i.e., EUR 1 = PLN 4.1784 and EUR 1 = PLN 4.2891 for the corresponding period of 2017.

2. STATEMENT OF FINANCIAL POSITION AT 31.03.2018

ASSETS	31.03.2018	31.12.2017	31.03.2017 restated
Non-current Assets	165,458,247.43	146,235,027.88	99,780,342.51
Property, plant and equipment	4,660,865.03	4,708,779.66	7,487,537.46
Intangible assets	206,578.01	225,540.70	318,409.83
Interests in subsidiaries	-	-	-
Financial assets measured at fair value	159,790,573.44	140,407,607.40	90,948,234.19
Available-for-sale financial assets	-	-	-
Trade receivables and other receivables	42,755.00	42,755.00	42,755.00
Deferred tax assets	-	-	82,974.37
Other financial assets	757,475.95	850,345.12	900,431.66
Current assets	5,010,882.36	6,068,719.21	4,466,665.14
Inventories	-	-	-
Trade receivables and other receivables	1,411,942.10	1,920,400.53	1,872,582.81
Prepayments - long-term contracts	-	154,000.00	360.56
Income tax receivable	-	-	-
Cash and cash equivalents	206,597.64	790,352.87	77,262.91
Other financial assets	3,392,342.62	3,203,965.81	2,516,458.86
Non-current assets held for sale	-	-	-
TOTAL ASSETS	170,469,129.79	152,303,747.09	104,247,007.65

EQUITY AND LIABILITIES	31.03.2018	31.12.2017	31.03.2017 restated
Equity	151,435,734.18	136,438,631.97	96,420,897.44
Share capital	776,783.30	776,783.30	733,450.00
Share premium account	24,065,230.88	24,065,230.88	18,063,513.88
Other reserves	121,962.15	121,962.15	121,962.15
Reserve on valuation of incentive scheme	4,772,567.00	4,236,838.00	1,401,838.00
Retained earnings	121,699,190.85	107,237,817.64	76,100,133.41
Non-current liabilities	12,915,706.19	9,254,120.87	629,470.24
Borrowings	-	-	504,962.00
Other financial liabilities	-	-	-
Deferred income tax liability	12,915,706.19	9,254,120.87	-
Provisions for pensions and similar benefits	-	-	-
Employee benefit obligation	-	-	-
Grants	-	-	124,508.24
Current liabilities	6,117,689.42	6,610,994.25	7,196,639.97
Borrowings	3,139,116.71	3,103,141.37	4,063,982.58
Other financial liabilities	-	-	-
Trade payables and other liabilities	2,002,771.90	2,477,604.69	1,725,365.97
Income tax liabilities	-	-	-
Accruals - deferred revenue	-	-	300,000.00
Provisions for pensions and similar benefits	46,128.37	46,128.37	47,744.30
Employee benefit obligation	-	-	-
Other provisions	925,190.00	966,190.00	1,030,169.68
Grants	4,482.44	17,929.82	29,377.44
TOTAL EQUITY AND LIABILITIES	170,469,129.79	152,303,747.09	104,247,007.65

3. STATEMENT OF COMPREHENSIVE INCOME

	01.01-31.03.2018	01.01-31.03.2017
Continuing operations		
Sales revenue	617,343.20	791,373.50
Revenue from sale of finished products	617,343.20	791,373.50
Revenue from sale of merchandise and materials	-	-
Cost of goods sold	(574,588.27)	(729,981.29)
Production cost of goods sold	(574,588.27)	(729,981.29)
Value of merchandise and materials sold	-	-
Gross profit (loss) on sales	42,754.93	61,392.21
Selling expenses	(13,287.14)	(20,200.42)
General and administrative expenses	(1,432,187.95)	(1,649,758.65)
Result of disposal and revaluation of financial assets measured at fair value through profit or loss	19,382,966.04	3,964,285.03
Other operating income	136,328.93	409,755.65
Other operating expenses	(1.57)	(1,348.69)
Operating profit (loss)	18,116,573.24	2,764,125.13
Finance income	43,341.37	28,082.86
Finance cost	(36,956.08)	(76,866.67)
Profit (loss) before taxation	18,122,958.53	2,715,341.32
Current income tax	-	-
Deferred income tax	(3,661,585.32)	(666,826.48)
Net profit/(loss) from continuing operations	14,461,373.21	2,048,514.84
Discontinued operations		
Profit/(loss) for the period from discontinued operations	-	-
Net profit /(loss) for the period	14,461,373.21	2,048,514.84
Net profit/(loss) per share in PLN		
– Basic earnings from continuing operations	1.86	0.28
–Diluted earnings from continuing operations	1.86	0.28
Other comprehensive income:		
Other comprehensive income that will be reclassified to profit or loss in future periods	-	-
Other comprehensive income that will not be reclassified to profit or loss in future periods	-	-
Other net comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR FINANCIAL YEAR	14,461,373.21	2,048,514.84

4. STATEMENT OF CASH FLOWS

	01.01-31.03.2018	01.01-31.03.2017
Operating activities		
Gross profit/(loss)	18,122,958.53	2,715,341.32
Adjustments for:		
Depreciation and amortisation	70,453.74	146,801.90
Interest and dividend, net	(805.73)	48,783.81
(Profit)/loss on investing activities	-	24,073.25
Result of disposal and revaluation of financial assets measured at fair value	(19,382,966.04)	(3,964,285.03)
Increase/decrease in receivables	508,458.43	256,608.16
Increase/decrease in inventories	-	-
Increase/decrease in liabilities	(474,832.89)	49,615.74
Increase/decrease in provisions	(41,000.00)	16,176.68
Income tax paid	-	-
Increase/decrease in prepayments for long-term contracts	140,552.62	158,815.01
Valuation of incentive scheme	535,729.00	630,000.00
Other	(6,560.30)	(58,380.62)
Net cash from operating activities	(528,012.64)	23,550.22
Investing activities		
Disposal of property, plant and equipment and intangible assets	-	25,203.25
Acquisition of property, plant and equipment and intangible assets	(3,576.32)	-
Disposal of financial assets	-	-
Acquisition of financial assets	-	-
Dividend and interest received	805.73	105.24
Repayment of lending	102,028.00	60,000.00
Lending	(155,000.00)	(197,000.00)
Interest accrued on deposits	-	-
Other	-	-
Net cash from investing activities	(55,742.59)	(111,691.51)
Financing activities		
Proceeds from share issue	-	-
Repayment of finance lease liabilities	-	-
Proceeds from borrowings	-	220,000.00
Repayment of borrowings	-	(286,802.00)
Dividend paid	-	-
Interest paid	-	(8,394.12)
Other	-	(11,900.00)
Net cash from financing activities	-	(87,096.12)
Net increase in cash and cash equivalents	(583,755.23)	(175,237.41)
Net FX differences	-	-
Cash at the beginning of the period	790,352.87	252,500.32
Cash at the end of the period	206,597.64	77,262.91

Financial Statements of LARQ S.A. for the 1st Quarter of 2018

(all amounts presented in PLN unless stated otherwise)

5. STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium Account	Other reserves	Reserve on Valuation of Incentive Scheme	Retained Earnings	Total Equity
At 1 January 2018	776,783.30	24,065,230.88	121,962.15	4,236,838.00	107,237,817.64	136,438,631.97
Corrections of errors	-	-	-	-	-	-
At 1 January 2018	776,783.30	24,065,230.88	121,962.15	4,236,838.00	107,237,817.64	136,438,631.97
Total comprehensive income	-	-	-	-	14,461,373.21	14,461,373.21
Share issue	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-
Change in revaluation reserve	-	-	-	535,729.00	-	535,729.00
At 31 March 2018	776,783.30	24,065,230.88	121,962.15	4,772,567.00	121,699,190.85	151,435,734.18
At 1 January 2017	733,450.00	18,063,513.88	121,962.15	771,838.00	74,051,618.57	93,742,382.60
Corrections of errors	-	-	-	-	-	-
At 1 January 2017	733,450.00	18,063,513.88	121,962.15	771,838.00	74,051,618.57	93,742,382.60
Total comprehensive income	-	-	-	-	33,186,199.07	33,186,199.07
Share issue	43,333.30	6,001,717.00	-	-	-	6,045,050.30
Cost of share issue	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-
Change in revaluation reserve	-	-	-	3,465,000.00	-	3,465,000.00
At 31 December 2017	776,783.30	24,065,230.88	121,962.15	4,236,838.00	107,237,817.64	136,438,631.97

Financial Statements of LARQ S.A. for the 1st Quarter of 2018

(all amounts presented in PLN unless stated otherwise)

	Share Capital	Share Premium Account	Other reserves	Reserve on Valuation of Incentive Scheme	Retained Earnings	Total Equity
At 1 January 2017	733,450.00	18,063,513.88	121,962.15	771,838.00	74,051,618.57	93,742,382.60
Corrections of errors	-	-	-	-	-	-
At 1 January 2017	733,450.00	18,063,513.88	121,962.15	771,838.00	74,051,618.57	93,742,382.60
Total comprehensive income	-	-	-	-	2,048,514.84	2,048,514.84
Share issue	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-
Change in revaluation reserve	-	-	-	630,000.00	-	630,000.00
At 31 March 2017	733,450.00	18,063,513.88	121,962.15	1,401,838.00	76,100,133.41	96,420,897.44

6. BACKGROUND INFORMATION

6.1. Core Business

LARQ S.A. ("LARQ", the "Company") with its registered office in Warsaw, ul. Tamka 16 lok. U-4, has been listed on the Warsaw Stock Exchange since 8 May 2008.

The Company has been trading as LARQ since 15 October 2015 when the name change from CAM Media S.A. to LARQ S.A. was registered with the National Court Register. On the other hand, CAM Media S.A. was established through transformation of a private limited liability company styled CAM Media sp. z o.o. into a public limited company. It took place on 25 June 2007 by resolution of the Extraordinary Meeting of Shareholders. The transformation was registered on 1 October 2007 with the Register of Entrepreneurs of the National Court Register. The Articles of Association of CAM Media Sp. z o.o. of Warsaw were signed on 5 February 2004. On 1 February 2007, the National Court Register registered the merger between CAM Media sp. z o.o. and Goldfinger sp. z o.o. of Warsaw by means of transferring all assets of the acquiree company to CAM Media sp. z o.o. and, at the same time, increasing the share capital of the acquirer.

The core business of LARQ is the management of its portfolio of financial investments which comprises certain industry-specific subsidiaries:

- Public transportation (city bike sharing systems)
- Advertising (non-standard outdoor advertising media and full-service agencies) and
- New technologies (SaaS and sales and marketing automation),

as well as seeking new investment opportunities.

During the first quarter of 2018, the Company additionally continued the fulfilment of contracts relating to the activities of a full-service advertising agency since the Company used to be a party to such contracts and the contracts continue to bind the Company (this business is being transferred to a subsidiary).

The Management Board believes that the Company meets the definition of an entity qualifying as an "investment entity" as defined in Paragraph 27 of IFRS 10. The above definition is fulfilled based on the following facts:

- The Company maintains several investments in order to diversify its risks and to maximize its returns;
- The Company has relationships with many investors who are unrelated to the Company and who pool their funds in order to gain access to investment opportunities that would be unavailable to them while-alone;
- The Company does not intend to maintain its investment portfolio in perpetuity; i.e., it has the "exit strategy" from investments.

Following the adoption of the accounting principles in accordance with IFRS 10, the Company as an "investment entity" does not prepare any consolidated financial statements and all its investments in subsidiaries are measured at fair value through profit or loss in its financial statements.

At 31 March 2018, the following portfolio companies are measured by the Company at fair value through profit or loss:

- Larq Fund Management sp. z o.o. (LARQ holds 100% of its capital);
- NextbikePolska SA (LARQ holds 1.6% of its capital; shares were sold in April 2018);
- Adinnovation sp. z o.o. (LARQ holds 100% of its capital);
- CAM Media Creative Works sp. z o.o. (LARQ holds 100% of its capital);
- Intelisoft sp. z o.o./Youlead (LARQ holds 53% of its capital);
- Media Power sp. z o.o. (LARQ holds 100% of its capital); and
- AWL VIII sp. z o.o. (LARQ holds 100% of its capital).

The Company's subsidiary called Larq Fund Management sp. z o.o. holds all certificates in the investment fund called LARQ Growth Fund I FIZ; the assets of that fund comprise, among others, shareholdings in the following companies:

- Nextbike Polska SA (67% of the capital);
- Brand 24 SA (40% of the capital); and
- Synergic sp. z o.o. (100% of the capital).

6.2. Members of the Company's Governing Bodies

At 31 March 2018, the Company was managed by the Management Board composed of three members:

Krzysztof Przybyłowski, Ph.D. – Chairman of the Management Board

Mikołaj Chruszczewski – Member of the Management Board

Małgorzata Dzięcioł – Member of the Management Board.

No changes in the Management Board of the Company were made up to the date of publication of these statements.

At 31 March 2018, the operations of the Company were supervised by the Supervisory Board consisting of:

Joanna Braulińska-Wójcik – Chairperson of the Supervisory Board

Bartosz Foroniewicz – Member of the Supervisory Board

Sergiusz Frąckowiak – Member of the Supervisory Board

Adam Kalkusiński – Member of the Supervisory Board

Piotr Krawczyński – Member of the Supervisory Board

No changes in the Supervisory Board of the Company were made up to the date of publication of these statements.

7. STATEMENTS

7.1. Statement of the Management Board

These financial statements were prepared in accordance with the requirements set forth in IAS 34 International Financial Reporting Standards *Interim Financial Reporting* with the application of the accounting principles set out in the International Financial Reporting Standards as endorsed by the European Union and effective at 31 March 2018, as well as the accounting principles presented in the 2017 financial statements, except for changes arising from the application of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* effective for the reporting periods beginning on or after 1 January 2018. The application of the above standards had no material impact on the items presented in these financial statements. These financial statements for the first quarter of 2018 do not include all information and disclosures that are required for the annual financial statements and should be read together with the 2017 annual financial statements of the Company.

These financial statements were approved for publication by the Management Board on 21 May 2018.

These financial statements cover the reporting period from 1 January to 31 March 2018 and the comparative period from 1 January to 31 March 2017. As presented herein, the statements give a fair view of the assets and financial position of LARQ S.A. at 31 March 2018 with the comparative figures at 31 December 2017 and 31 March 2017, as well as the results of its operations and cash flows for the first quarter of 2018 and the comparative figures for the period of three months ended on 31 March 2017. By the date of the financial statements for the period ended on 31 March 2018, no events took place that were not, although they should have been, reported in the books of account for the reporting period. Due to the correction described in detail in Section 8, comparative figures are presented in two versions. The presentation of “published figures” refers to data published in the financial statements for a given period while “restated figures” have been restated retrospectively (as described in Section 8).

Due to the application of the changed principles of accounting in accordance with IFRS 10.27, the Company qualifies as an investment entity and does not prepare any consolidated financial statements and, in these financial statements, all investments in subsidiaries are measured at fair value through profit or loss.

The financial statements have been prepared on the historical cost basis save for shares in portfolio companies that are measured at fair value through profit or loss. The statements are based on the going concern principle, i.e., assuming that the Company will continue its operations in the foreseeable future. On the day of approval of these financial statements, there exist no circumstances indicating any threat to the going concern of the Company over the period of 12 months after the balance sheet date.

LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented In PLN unless stated otherwise)

Items disclosed in the financial statements are measured in the currency of the principal business environment where the Company operates (the “functional currency”). The financial statements are presented in Polish Zloty (PLN) which is both the functional and presentation currency of the Company.

The figures in the statement of financial position have been translated using the average rate published by the National Bank of Poland (NBP) for a given currency on the balance sheet date.

The rate used for translation of figures in the statements of comprehensive income and cash flows, was the arithmetic average of NBP’s average rates from the period covered by the statements.

The following exchange rates were adopted for translation purposes:

Exchange Rate at	31.03.2018	31.12.2017	31.03.2017
EURO	4.2085	4.1709	4.2198

Average Rate for the Period	01.01-31.03.2018	01.01-31.03.2017
EURO	4.1784	4.2891

8. RESTATEMENT OF COMPARATIVE FIGURES

At 31 December 2016, the Company held a deferred income tax liability of PLN 15,388,504.24 recognised on the valuation of financial assets measured at fair value through profit or loss. The amount of that provision was overstated by PLN 15,796,646.08 since certain changes in valuation of those financial assets qualify as a permanent difference and will not be taxed in the future. The amount of the provision was corrected by the Company in its annual accounts for 2017. Also the prior interim statements and reports issued by the Company in 2017 will be subject to this correction, including the statements for the first quarter of 2017. Accordingly, the correction of the restated statements for the first quarter of 2017 resulted in the disclosure of the deferred tax asset of PLN 82,974.32. The correction applies only to the Company’s balance sheet and the statement of changes in equity as the correction refers to the period before 1 January 2017.

The financial statements for the period ended on 31 March 2017 are presented below in the version published on 15 May 2017 and after restatement.

LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented In PLN unless stated otherwise)

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017 - RESTATEMENT

ASSETS	31.03.2017 published	restatement	31.03.2017 restated
Non-current Assets	99,697,368.14	82,974.37	99,780,342.51
Property, plant and equipment	7,487,537.46	-	7,487,537.46
Intangible assets	318,409.83	-	318,409.83
Interests in subsidiaries	-	-	-
Financial assets measured at fair value through profit or loss	90,948,234.19	-	90,948,234.19
Available-for-sale financial assets	-	-	-
Trade receivables and other receivables	42,755.00	-	42,755.00
Deferred tax assets	-	82,974.37	82,974.37
Other financial assets	900,431.66	-	900,431.66
Current assets	4,466,665.14	-	4,466,665.14
Inventories	-	-	-
Trade receivables and other receivables	1,872,582.81	-	1,872,582.81
Prepayments - long-term contracts	360.56	-	360.56
Income tax receivable	-	-	-
Cash and cash equivalents	77,262.91	-	77,262.91
Other financial assets	2,516,458.86	-	2,516,458.86
Non-current assets held for sale	-	-	-
TOTAL ASSETS	104,164,033.28	82,974.37	104,247,007.65

EQUITY AND LIABILITIES	31.03.2017 published	restatement	31.03.2017 restated
Equity	80,624,251.36	15,796,646.08	96,420,897.44
Share capital	733,450.00	-	733,450.00
Share premium account	18,063,513.88	-	18,063,513.88
Other reserves	121,962.15	-	121,962.15
Reserve on valuation of incentive scheme	1,401,838.00	-	1,401,838.00
Retained earnings	60,303,487.33	15,796,646.08	76,100,133.41
Non-current liabilities	16,343,141.95	(15,713,671.71)	629,470.24
Borrowings	504,962.00	-	504,962.00
Other financial liabilities	-	-	-
Deferred income tax liability	15,713,671.71	(15,713,671.71)	-
Provisions for pensions and similar benefits	-	-	-
Employee benefit obligation	-	-	-
Grants	124,508.24	-	124,508.24
Current liabilities	7,196,639.97	-	7,196,639.97
Borrowings	4,063,982.58	-	4,063,982.58
Other financial liabilities	-	-	-
Trade payables and other liabilities	1,725,365.97	-	1,725,365.97
Income tax liabilities	-	-	-
Accruals - deferred revenue	300,000.00	-	300,000.00
Provisions for pensions and similar benefits	47,744.30	-	47,744.30
Employee benefit obligation	-	-	-
Other provisions	1,030,169.68	-	1,030,169.68
Grants	29,377.44	-	29,377.44
TOTAL EQUITY AND LIABILITIES	104,164,033.28	82,974.37	104,247,007.65

STATEMENT OF CHANGES IN EQUITY - RESTATEMENT

	Share Capital	Share Premium Account	Other reserves	Reserve on Valuation of Incentive Scheme	Retained Earnings	Total Equity
At 1 January 2017	733,450.00	18,063,513.88	121,962.15	771,838.00	58,254,972.49	77,945,736.52
Restatement	-	-	-	-	15,796,646.08	15,796,646.08
At 1 January 2017	733,450.00	18,063,513.88	121,962.15	771,838.00	74,051,618.57	93,742,382.60
Total comprehensive income	-	-	-	-	2,048,514.84	2,048,514.84
Share issue	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-
Change in revaluation reserve	-	-	-	630,000.00	-	630,000.00
Restatement	-	-	-	-	-	-
At 31 March 2017	733,450.00	18,063,513.88	121,962.15	1,401,838.00	76,100,133.41	96,420,897.44

9. ADDITIONAL INFORMATION

9.1. BRIEF DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF LARQ AND ITS PORTFOLIO COMPANIES DURING THE PERIOD COVERED BY THIS REPORT, AND RUNDOWN OF THEIR MOST IMPORTANT DEVELOPMENTS

LARQ SA (LARQ", the "Company") has the status of an "investment entity" and measures its portfolio investments at fair value through profit or loss. The key financials of the Company for the first quarter of 2018 in comparison to the previous year are presented in table below:

(PLN '000)	01.01-31.03.2018	01.01-31.03.2017
Sales revenue	617	791
Gross profit from sales	43	61
Selling and general administrative expenses	(1,445)	(1,670)
Result of disposal and revaluation of financial assets measured at fair value through profit or loss	19,383	3,964
Other operating income/(expenses)	136	408
Operating profit (loss)	18,117	2,764
Profit (loss) before taxation	18,123	2,715
Net profit/(loss) for the period	14,461	2,049
Financial assets measured at fair value	159,791	90,948

As a result of changes in the accounting principles, the key factor affecting the financial performance of the Company is its *result on disposal and revaluation of financial assets measured at fair value through profit or loss*. In the first quarter of 2018, building on the good financial results generated by the portfolio companies and the valuation of Brand24's shares following its NewConnect debut, the value of investments that are measured by the Company through profit or loss grew by over PLN 19 million during the first three months of 2018, up to almost PLN 160 million. The increased valuation of the portfolio of financial assets held by the Company was translated into the net profit of PLN 14.5 million generated by LARQ in the first quarter of 2018 compared to PLN 2.0 million in the first quarter of 2017.

The selling and general administrative expenses went down in the first quarter of 2018 compared to the corresponding period of 2017, by PLN 200,000 as the costs of valuation of the incentive scheme dropped by PLN 100,000 and other expenses were lower, too.

At present, the core business of LARQ is the management of its portfolio of financial assets which comprises certain industry-specific subsidiaries:

- Public transportation (city bike sharing systems),
- Advertising (non-standard outdoor advertising media and full-service agencies),
- New technologies (SaaS and sales and marketing automation),

as well as seeking new investment opportunities in the above industries.

The Management Board believes that the Company meets the definition of an entity qualifying as an "investment entity" as defined in IFRS 10.27. The above definition is satisfied based on the following:

- The Company maintains several investments in order to diversify its risks and to maximize its returns;
- The Company has relationships with many investors who are unrelated to the Company and who pool their funds in order to gain access to investment opportunities that would be unavailable to them while-alone;
- The Company does not intend to maintain its investment portfolio in perpetuity; i.e., it has the "exit strategy" from investments.

LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented In PLN unless stated otherwise)

Following the adoption of the accounting principles in accordance with IAS 10, the Company as an “investment entity” does not prepare any consolidated financial statements and all its investments in subsidiaries are measured at fair value through profit or loss in its financial statements.

The crucial achievements of LARQ’s key portfolio companies during the first quarter of 2018, and factors affecting the financial results reported by them are described in Section 11.29.

The key financial results of the portfolio companies in the 1Q 2018 are presented in table below:

PLN million	01.01-31.03.2018 proforma	01.01-31.03.2017 proforma
Sales Revenue		
Nextbike*	5.8	4.3
Synergic**	5.2	4.4
Brand24	2.4	1.6
Othere**	0.9	0.9
EBITDA		
Nextbike	(0.9)	0.3
Synergic	0.4	0.4
Brand24	(0.3)	(0.1)
Other	(1.6)	(1.6)
Operating profit (loss)		
Nextbike	(3.3)	(0.6)
Synergic	0.2	0.2
Brand24	(0.4)	(0.1)
Other	(1.7)	(1.7)
Net profit (loss)		
Nextbike	(3.1)	(0.7)
Synergic	0.1	0.1
Brand24	(0.3)	(0.1)
Other	(1.7)	(1.7)
Net debt (cash)		
Nextbike	30.7	34.0
Synergic	(0.1)	0.4
Brand24	(2.1)	(0.1)
Other	(0.4)	0.4

* Nextbike’s figures in table above include also figures of their subsidiaries

** Net of intra-group transactions

9.2. DESCRIPTION OF FACTORS AND EVENTS, ESPECIALLY ATYPICAL IN NATURE, THAT SIGNIFICANTLY AFFECTED THE FINANCIAL PERFORMANCE

During the first quarter of 2018, LARQ pursued its activities and attained its business goals without interruption due to any atypical developments. The major event that affected the financial performance of the Company in the first quarter of 2018, was the debut of Brand 24 shares on the NewConnect market.

9.3. INFORMATION ABOUT CYCLICAL OR SEASONAL NATURE OF BUSINESS OF THE LARQ GROUP COMPANIES DURING THE REPORTING PERIOD

The business of LARQ is not affected by seasons or cycles.

In the first quarter of any year, business is relatively slow for the key portfolio companies of LARQ, namely Nextbike and Synergic. Nextbike, as the operator of city bike-sharing systems, does not generate any revenue from the service of bike-sharing system management during January and February due to winter, however, it has to incur the costs of bike maintenance and storage during the off-season. For Synergic, the operator of non-standard advertising media,

the first quarter is the slowest business period of the year following the reduction of advertising spending after Christmas each year.

9.4. INFORMATION ABOUT IMPAIRMENT LOSSES ON INVENTORIES DOWN TO THEIR NET REALISABLE VALUE, AND REVERSAL OF IMPAIRMENT

No impairment loss was recognised on inventories during the period covered by these financial statements.

9.5. INFORMATION ABOUT IMPAIRMENT LOSSES ON FINANCIAL ASSETS, PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS OR OTHER ASSETS, AND REVERSAL OF IMPAIRMENT

During the period covered by these financial statements, no impairment loss was recognised on financial assets, property, plant and equipment or intangible assets .

No impairment of LARQ assets was reversed.

9.6. INFORMATION ABOUT THE ESTABLISHMENT, INCREASE, USE OR RELEASE OF PROVISIONS

	Termination Benefits on Retirement	Holiday Allowances	Other Provisions
Balance at 01.01.2018	-	46,128.37	966,190.00
Established	-	-	-
Released	-	-	-
Used	-	-	41,000.00
Balance at 31.03.2018	-	46,128.37	925,190.00
Long-term portion	-	-	-
Short-term portion	-	46,128.37	925,190.00

9.7. INFORMATION ABOUT DEFERRED INCOME TAX LIABILITY AND ASSETS

At 31 March 2018, the Company did not recognised any deferred tax asset but recognised the deferred tax liability was PLN 12,916,000. The Group presents its deferred tax asset and liability on a net basis.

9.8. INFORMATION ABOUT MATERIAL PURCHASES AND SALES OF PROPERTY, PLANT AND EQUIPMENT

During the period covered by these financial statements, LARQ did not purchase any property, plant and equipment or intangible assets.

There were no material transactions of selling property, plant and equipment.

9.9. INFORMATION ABOUT SIGNIFICANT COMMITMENT ASSUMED TO PURCHASE PROPERTY, PLANT AND EQUIPMENT

During the period covered by these financial statements, no significant commitment was assumed in order to purchase any property, plant and equipment.

9.10. INFORMATION ABOUT SIGNIFICANT LITIGATION PAYMENTS

During the period covered by these financial statements, there were no significant payments with respect to any court cases.

9.11. CORRECTIONS OF ERRORS FROM PREVIOUS PERIODS

The correction that lead to the restatement of the Company's balance sheet and the statement of changes in equity was described in detail in Section 10.

9.12. INFORMATION ABOUT CHANGES IN THE ECONOMIC SITUATION AND BUSINESS CONDITIONS THAT MATERIALLY AFFECT THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF THE ENTITY, WHETHER CARRIED AT FAIR VALUE OR AT ADJUSTED COST (AMORTISED COST)

During the period covered by these financial statements, no changes took place that would affect the fair value of financial assets or financial liabilities.

9.13. INFORMATION ABOUT OUTSTANDING BANK LOAN OR LOAN, OR ABOUT MATERIAL BREACH OF A BANK LOAN OR LOAN AGREEMENT IN MATTERS WHERE NO STEPS WERE TAKEN TO CURE THE BREACH BEFORE THE END OF THE REPORTING PERIOD

During the period covered by these financial statements, the bank loans borrowed by LARQ were repaid in compliance with the relevant repayment schedules.

9.14. INFORMATION ABOUT RELATED PARTY TRANSACTIONS IF SUCH TRANSACTIONS, SEPARATELY OR COMBINED, ARE SIGNIFICANT AND WERE MADE OTHERWISE THAN ON THE ARM'S LENGTH BASIS

During the period covered by these financial statements, all transactions between LARQ and its portfolio companies were made on the arm's length basis.

9.15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE – INFORMATION ABOUT ANY CHANGE IN THE METHOD OF CALCULATION OF FAIR VALUE

During the period covered by these financial statements, no changes were made in the method of measurement of financial instruments.

9.16. INFORMATION ABOUT CHANGE IN THE CLASSIFICATION OF FINANCIAL ASSETS DUE TO THE MODIFICATION OF PURPOSE OR USE OF THOSE ASSETS

During the period covered by these financial statements, no changes were made in the classification of financial assets.

9.17. INFORMATION ABOUT THE ISSUANCE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

During the period covered by these financial statements, there was no issuance, redemption or repayment of any non-equity or equity securities.

9.18. INFORMATION ABOUT DIVIDEND PAID (OR DECLARED), IN THE AGGREGATE AND PER SHARE, BROKEN BY ORDINARY AND PREFERENCE SHARES

During the period covered by these financial statements, no dividend was paid or declared by LARQ.

9.19. EVENTS THAT OCCURRED AFTER THE DATE OF THESE CONDENSED QUARTERLY FINANCIAL STATEMENTS AND NOT REPORTED HEREIN, THAT MIGHT SIGNIFICANTLY AFFECT THE FUTURE FINANCIAL PERFORMANCE OF LARQ

- On 11 April 2018, LARQ transacted the sale of 17,050 shares in Nextbike Polska S.A. The total share sale price was PLN 2,131,267.50 or PLN 125.00 per share. Following that transaction, the Company no longer holds Nextbike shares directly. At the same time, the stake held in Nextbike by LARQ Growth Fund I FIZ remained unchanged; it has 717,261 shares or 67.0% of Nextbike's share capital and 70.3% of total votes at the General Meeting of Nextbike.
- Developments experienced by the portfolio companies after the date of these statements are described in Section 11.29.

9.20. INFORMATION ABOUT CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS THAT TOOK PLACE AFTER THE END OF THE LAST FINANCIAL YEAR

In the period after the end of the last financial year until the publication of these statements, LARQ reported no changes in any contingent liabilities or contingent assets.

9.21. OTHER INFORMATION THAT MIGHT MATERIALLY AFFECT THE ASSESSMENT OF THE ASSETS AND FINANCIAL POSITION, AND PROFIT OR LOSS OF LARQ

The Management Board of LARQ believes that, apart from the information disclosed above, there exist no other factors that might materially affect the assessment of the assets and financial position and profit or loss of LARQ.

9.22. MANAGEMENT BOARD'S VIEW ON THE ABILITY TO MEET FORECASTS PUBLISHED EARLIER FOR A GIVEN YEAR IN LIGHT OF PERFORMANCE PRESENTED IN THE QUARTERLY REPORT COMPARED TO FORECAST PERFORMANCE

LARQ did not publish any forecast of its 2018 results.

9.23. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY VIA SUBSIDIARIES, AT LEAST 5% OF TOTAL VOTES AT THE GENERAL MEETING OF LARQ S.A. AS OF THE PUBLICATION DATE OF THESE STATEMENTS

Shareholder	Number of Shares	% of Share Capital	% of Votes
HARBINGER CAPITAL Ltd.	3,000,000	38.62%	55.72%
QUERCUS TFI S.A.*	720,478	9.28%	6.69%
NATIONALE NEDERLANDEN OFE i DFE	602,156	7.75%	5.59%

* Of record for the General Meeting held by LARQ SA on 30 June 2017.

9.24. STATEMENT OF HOLDINGS OF SHARES IN LARQ S.A. OR RIGHTS TO SHARES BY THE PERSONS WHO MANAGE AND SUPERVISE LARQ S.A.

Based on the information available to the Company as of the date of submission of this report, the following members of the Management and Supervisory Boards hold shares in LARQ:

Shareholder	Number of Shares	% of Share Capital	% of Votes
Krzysztof Przybyłowski – Chairman of Management Board	214,000	2.75%	2.00%
Mikołaj Chruszczewski – Member of Management Board	59,039	0.76%	0.55%
Małgorzata Dziecioł – Member of Management Board	3,333	0.04%	0.03%
Member of the Supervisory Board	50,000	0.64%	0.48%
Member of the Supervisory Board	20,000	0.26%	0.19%
Member of the Supervisory Board	6,489	0.08%	0.06%

During the period after submission of the previous quarterly report, i.e., since 26 March 2018, there were no changes in shareholdings by the Members of the Management and Supervisory Boards.

9.25. INFORMATION ABOUT MATERIAL PROCEEDINGS BEFORE COURT, ARBITRATION TRIBUNAL OR PUBLIC ADMINISTRATION AUTHORITY

At the publication date of this report, LARQ is not a party to any litigation where the cause of action would exceed 10% of LARQ's equity.

9.26. INFORMATION ABOUT THE GRANT OF SURETIES FOR ANY LOAN, OR THE GRANT OF GUARANTEE BY LARQ – IN THE AGGREGATE TO A SINGLE ENTITY, OR TO A SUBSIDIARY OF THAT ENTITY IF THE AGGREGATE VALUE OF EXISTING SURETIES OR GUARANTEES IS EQUAL TO AT LEAST 10% OF THE EQUITY OF LARQ S.A.

In the period after the end of the last financial year until the publication of these statements, LARQ gave no guarantees or loan surety.

9.27. OTHER INFORMATION CONSIDERED MATERIAL BY LARQ S.A. FOR ASSESSMENT OF ITS HUMAN RESOURCES, ASSETS AND FINANCIAL POSITION, PROFIT OR LOSS AND CHANGES THEREIN, AND INFORMATION OF IMPORTANCE FOR ASSESSMENT OF THE ABILITY OF LARQ S.A. TO MEET ITS OBLIGATIONS

It is the opinion of the Management Board of LARQ, these financial statements disclose all information of material importance for assessment of LARQ's situation.

9.28. FACTORS THAT ARE BELIEVED BY LARQ S.A. TO AFFECT ITS PERFORMANCE AT LEAST DURING THE NEXT QUARTER

LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented In PLN unless stated otherwise)

During the second and following quarters of 2018, it is the opinion of the Management Board of LARQ that the following are the most important factors affecting LARQ's performance:

- Valuations of portfolio companies quoted on the NewConnect market;
- Achievement of the forecast financial results by LARQ portfolio companies; and
- Developments on the financial markets.

9.29. LARQ Key Portfolio Companies: NEXTBIKE POLSKA S.A.



Scope of Business: Nextbike Polska S.A. ("Nextbike", the "Company") is the largest supplier and operator of city bike-sharing systems in Poland. At 31 March 2018, the Company managed the fleet of 12,400 bicycles and enjoyed the 80% share of the Polish city bike-sharing market in terms of fleet size. The Company has been listed on NewConnect since 23 August 2017.

Nextbike Polska S.A. shares held by LARQ at the end of March 2018: 69% (blocks of shares held by LARQ S.A. and LARQ Growth Fund I FIZ). On 11 April 2018, LARQ transacted the sale of 17,050 shares in Nextbike Polska S.A. and, hence, no longer holds Nextbike shares directly. At the same time, the stake held in Nextbike by LARQ

Growth Fund I FIZ remained unchanged; it holds 67% shares in the Company.

Key financials: Over the last 12 months, the fleet of bicycles managed by the Company grew by 3,200, net, mostly after launching the systems for new customers (Radom, Kołobrzeg and Częstochowa) and the expansion of the systems (under new contracts) in Białystok and Stalowa Wola, as well as upon the expansion of the systems in Warsaw, Poznań and Łódź. During 1Q2018, Nextbike reported the revenue of PLN 5.8 million which means that it grew by 35% compared to 1Q2017. That growth was triggered by the increased number of towns and cities in service and the increased size of the bike fleet operated by the Company.

Nextbike's business is seasonal in nature. The Company generates the lowest revenue during the first quarter (the major systems operated by Nextbike generate revenue from March onwards) and, additionally, it incurs the off-season costs in January and February (thorough maintenance and repair of all systems, costs of bike storage), as well as the costs of starting the systems in February and March. Hence, its financial result for the first quarter is at the bottom range for the whole financial year. Nextbike reported the EBITDA loss of PLN 0.9 million for the first quarter of 2018 compared to EBITDA profit of PLN 0.3 million for the corresponding period of 2017. The decline in EBITDA compared to the previous year was due to: (i) higher costs incurred during the off-season on winter maintenance services, storage and re-starting of the systems; (ii) increased outlays on improvements in system operation; and (iii) increased costs of administrative and operational structures necessitated by the growth in scale of business.

Forecast: Nextbike did not publish any forecast of its 2018 results.

Material Developments at Nextbike during 1Q2018 and after the balance sheet date:

- During the first quarter of 2018 and before the publication date hereof, Nextbike added another 1,100 bikes to the fleet under its management, for newly launched or expanded systems, and signed contracts for supply and operation of the total of 1,000 city bikes during the incoming quarters, and submitted the best tenders to launch systems that include more than 5,400 bicycles.
- In May 2018, Nextbike put into operation in Turku, Finland, the very first foreign bike-sharing system managed by the Company; it consists of 300 bikes of the 4th generation (bikes have their own on-board computers enabling their return not only at docking stations but anywhere when the user chooses to do so).
- In April 2018, Nextbike submitted the best bid in tendering for the "Łódzkie Bikes". The selection of this tender means that Nextbike will supply and operate ca. 1,000 bikes for ten towns within the Łódzkie Province. A prospective contract for system operation is to be made for the term of six years.
- NB Tricity sp. z o.o., Nextbike's wholly-owned subsidiary, submitted the best tender, in May 2018, in the contract award procedure for "The services of supply, launch, management and full services of the OMG-G-S Metropolitan Bike System". The tender submitted by NB Tricity Sp. z o.o. contemplates the supply and operation of 4,080 electric bikes for the Tri-City and neighbouring communes. A potential contract for operation of that system would entail the system service until 2025.

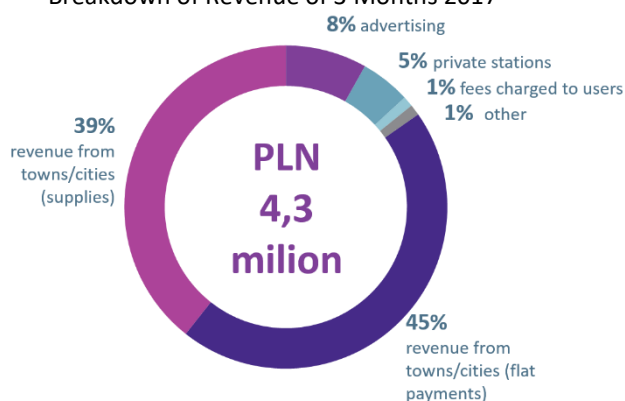
LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented In PLN unless stated otherwise)

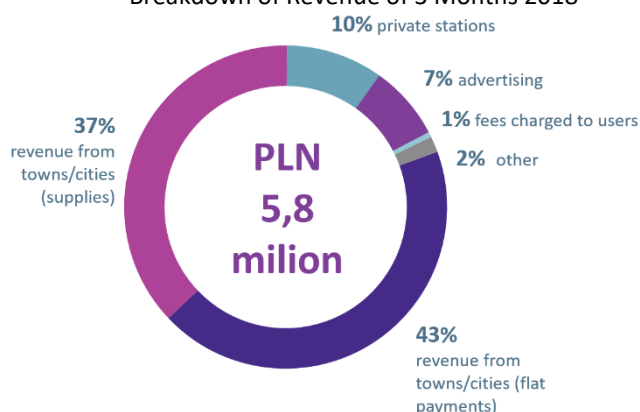
NEXTBIKE POLSKA S.A.: Financial Highlights

PLN million	3M 16	3M 17	3M 18	17/16	18/17
Number of bikes (end of period) (in '000)	5.9	9.2	12.4	54%	35%
Revenue	7.1	4.3	5.8	-40%	35%
EBITDA	2.1	0.3	(0.9)	-87%	-
EBIT	0.8	(0.6)	(3.3)	-	-
Net profit (loss)	0,6	(0.7)	(3.1)	-	-
Net debt	16.2	34.0	30.7	110%	-10%

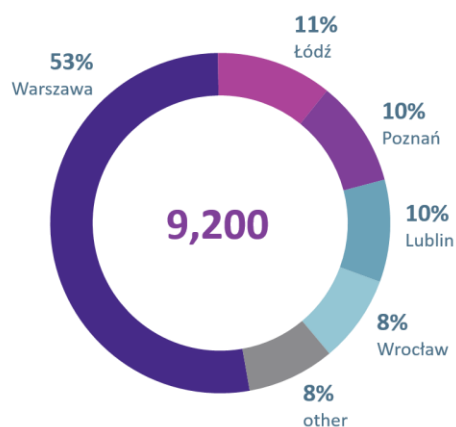
Breakdown of Revenue of 3 Months 2017



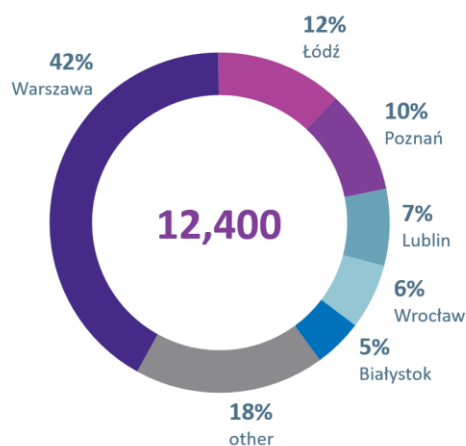
Breakdown of Revenue of 3 Months 2018



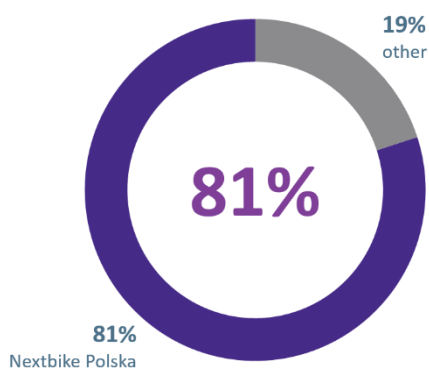
Fleet Structure at End of March 2017



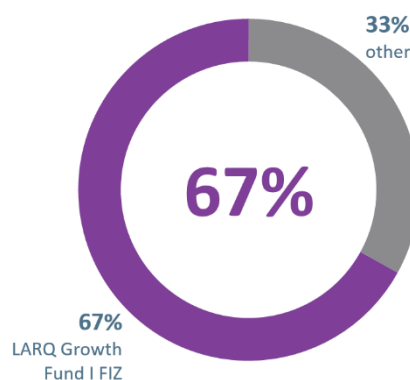
Fleet Structure at End of March 2018



Market Share by Number of Bicycles (March 2018)



NextBike Shareholding Structure (March 2018)



Source: Nextbike own estimates

11.29. LARQ Key Portfolio Companies: BRAND24 S.A.



Scope of Business: Brand24 S.A. ("Brand24", the "Company") is the owner of a proprietary tool for inline content monitoring sold as SaaS (Software as a Service). The company enjoys a dominant position on the Polish market in that product category. Since 2015, it has also been successful with the commercialisation of its software on the global market. It has been listed on NewConnect since January 2018.

Brand24 S.A. shares held by LARQ at the end of March 2018: 40.3% (block of shares held by LARQ Growth Fund I FIZ).

Key financials: At the end of March 2018, Brand24 had 2,384 active users of its tool, specifically 1,345 customers for its Polish version and 1,039 users of the global version which means the growth by 23% and 110%, respectively, compared to 31 March 2017. The Company continues a dynamic growth of the number of users; the funds raised from its share issue in November 2017 and free cash flows generated internally by it are employed on the continuous product improvements and the increased spending on customer acquisition.

Brand24 increased its sales revenue for the first quarter of 2018 by 51% up to PLN 2.4 million compared to PLN 1.6 million for the corresponding period of 2017. Brand24 reported EBITDA loss for three months of 2018 equal to PLN 0.4 million compared to the loss of PLN 0.1 million for 1Q2017. That higher loss was caused by increased outlays on customer acquisition, especially for the global version, and the expansion of the IT team that works to improve Brand24 software and to improve the efficiency of automated sale and customer retention processes.

Forecast: Brand24 did not publish any forecast regarding its 2018 performance. In October 2017, the Company adopted its 2018-2020 incentive scheme for key personnel and associates of Brand24; the vesting condition under that scheme contemplates the following operational objectives for 2018 to be met by the Company:

- Number of customers at the end of period: 2,935
- Consolidated revenue: PLN 10.8 million
- Consolidated loss: PLN 1.1 million.

Material Developments at Brand24 during 1Q2018 and after the balance sheet date:

- On 30 January 2018, Brand24 shares debuted on NewConnect. All shares in the Company were floated. The share price on the debut date was almost 80% above the price set for the private placement in November 2017. Compared to other issuers on the NewConnect market, Brand24 shares were vigorously traded during 1Q2018.
- Recurring payments were launched in the Polish version of the tool to facilitate payments made by customers for access to Brand24 tool.
- Widget was launched and contains recommendations and mentions on any topic, ready to be implemented on web pages of Brand24 customers.
- More specialists were added to the IT team in order to speed up development of new functionalities of Brand24 software.

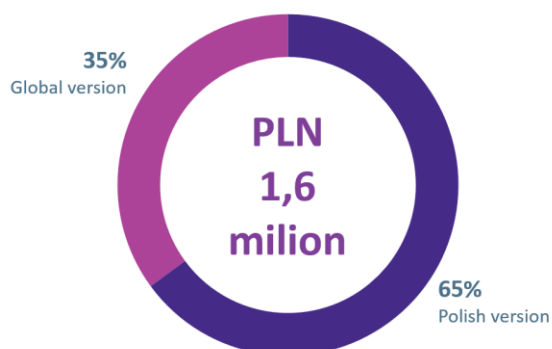
LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented in PLN unless stated otherwise)

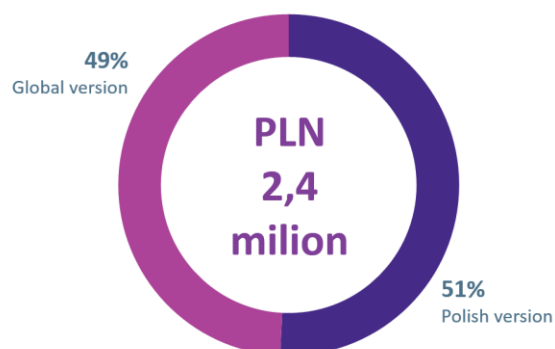
BRAND24 S.A.: Key Financials

PLN million	3M 16	3M 17	3M 18	17/16	18/17
Number of active customers (end of period)	1,095	1,590	2,384	45%	50%
Revenue	1.0	1.6	2.4	58%	51%
EBITDA	(0.4)	(0.1)	(0.3)	-	-
EBIT	(0.4)	(0.1)	(0.4)	-	-
Net profit (loss)	(0.4)	(0.1)	(0.3)	-	-
Net debt	(0.7)	(0.1)	(2.1)	-	-

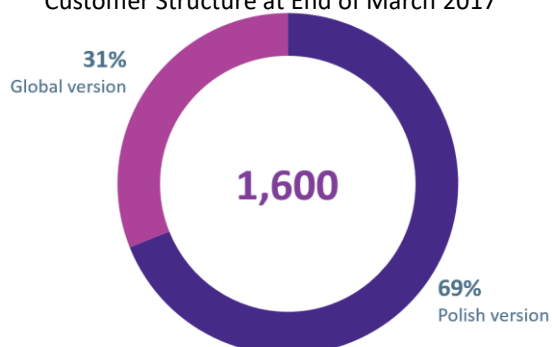
Breakdown of Revenue for 3 Months of 2017



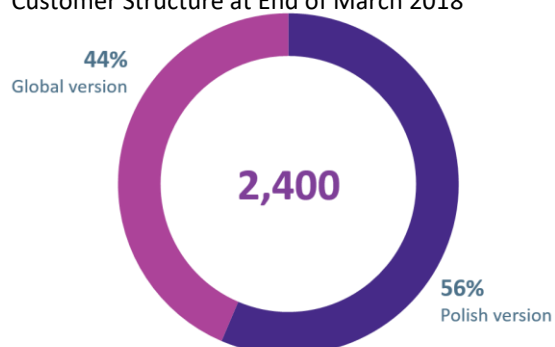
Breakdown of Revenue for 3 Months of 2018



Customer Structure at End of March 2017



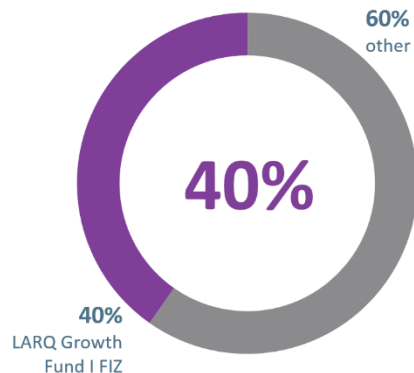
Customer Structure at End of March 2018



Growth in Number of Active Customers (March 2018)



Brand24 Shareholding Structure (May 2018)



11.29. LARQ Key Portfolio Companies: SYNERGIC SP. Z O.O.



Scope of Business: Synergic sp. z o.o. ("Synergic", the "Company") is the leading operator and owner of non-standard outdoor advertising media in Poland. The Company displays the advertisements of its customers at 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 major cities in Poland. In addition, since 2017, Synergic has commercialised the digital advertising space in selected ATM networks and on large-format media alongside highways. The Company's market share is over 30% which makes it the largest supplier of non-standard outdoor advertising space in Poland.

Synergic sp. z o.o. shares held by LARQ at the end of March 2018: 100% (block of shares held by LARQ Growth Fund I FIZ).

Key financials: In 1Q 2018, Synergic recognised revenue of PLN 5.2 million which means a 20% growth compared to PLN 4.4 million generated in the first quarter of 2017. The Company reported better revenue than last year practically in each product line; its revenue grew especially in the large-format media and at airports (by 25% and 28%, respectively). During the first quarter of 2018, the Company completed more than 230 advertising projects compared to more than 200 completed in 1Q 2017.

The business of Synergic is sensitive to seasons. The first quarter is the period when the Company generates the lowest revenue (traditionally, the post-Christmas period is slow in the advertising industry). Due to such low level of revenue and standing costs, its EBITDA result for the first quarter oscillates near zero. During 1Q2018, Synergic was able to generate EBITDA profit of PLN 0.4 million, similar to the last year's level.

Forecast: LARQ did not publish any forecast regarding Synergic performance in 2018.

Material Developments at Synergic during 1Q2018 and after the balance sheet date:

- Advertising services contract was signed entailing the commercialisation of advertising space on displays of ticket-vending machines in Warsaw.
- Multi-channel advertising campaign was continued for the Samsung brand, mostly with the use of media owned by Synergic and located at airports and in underground passages.
- Increased sales potential in the large-format channels upon acquisition of an attractive location in Warsaw; the medium with the area of almost 500 m² nearby the Dolinka Służewiecka in Warsaw.

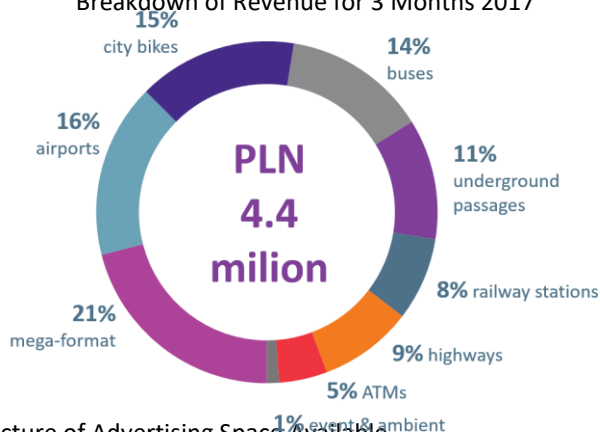
LARQ S.A. Financial Statements for 1st Quarter of 2018

(All figures presented In PLN unless stated otherwise)

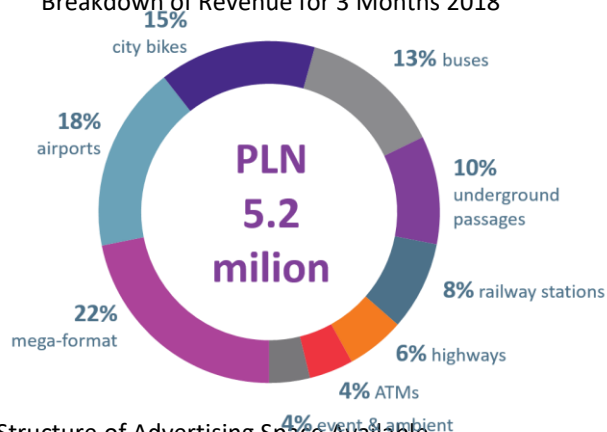
SYNERGIC SP. Z O.O.: Financial Highlights (net of intragroup transactions)

PLN million	3M 16	3M 17	3M 18	17/16	18/17
Advertising space available for sale (m2)	15,083	23,097	39,679	53%	72%
Revenue	4.0	4.4	5.2	8%	20%
EBITDA	0.4	0.4	0.4	3%	-4%
EBIT	0.1	0.2	0.2	40%	-5%
Net profit (loss)	0.0	0.1	0.1	94%	36%
Net debt	(0.5)	0.4	(0.1)	-	-

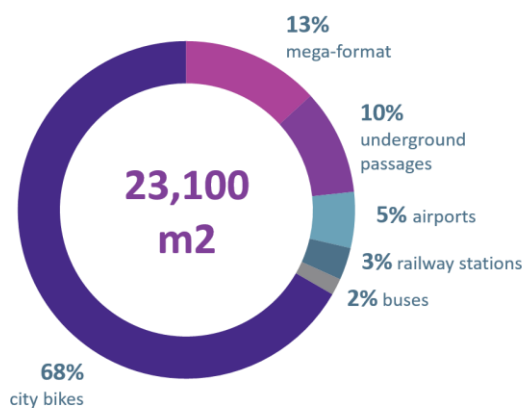
Breakdown of Revenue for 3 Months 2017



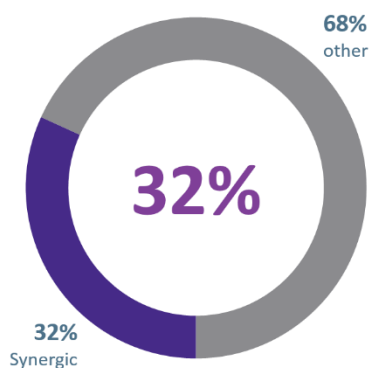
Breakdown of Revenue for 3 Months 2018



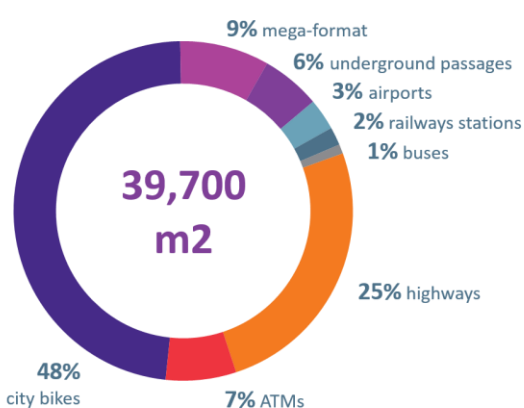
Structure of Advertising Space Available for Sale at End of March 2017



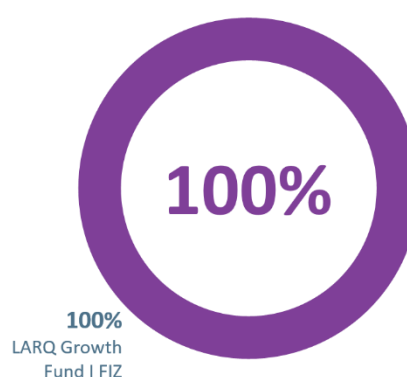
Market Share (December 2017)



Structure of Advertising Space Available for Sale at End of March 2018



Synergic Shareholding Structure (May 2018)



Source: Synergic own estimates

Warsaw, 21 May 2018