Warsaw, 21 March 2017

**LARQ – summary of 2017**

* **PLN 25.3 million reported net profit for 2016 against PLN 7.8 million reported net loss for 2015 (transformation of the Capital Group into an Investment Unit)**
* **Record performance of portfolio companies and execution of higher financial results forecast for 2016:**

**- consolidated pro forma sales revenue: PLN 70.6 million, an increase of 61% y/y**

**- consolidated pro forma EBITDA: PLN 11.6 million profit against a PLN 3.3 million loss on EBITDA in 2015**

LARQ SA, an investment unit managing entities operating in the area of ​​innovative media, new technologies and infrastructure, has published its financial results for 2016. LARQ ended 2016 with a reported net profit of PLN 25.3m vs. PLN 7.8m reported loss for the year 2015. The financial results are not comparable year on year, as in 2016 the company completed the transformation phase, under which the main assets were transferred to the LARQ Growth Fund and FIZ. 100% of the fund certificates are held by LARQ Fund Management Ltd – a 100% subsidiary of LARQ SA With this, LARQ SA completed its conversion to become an investment unit that, starting from the 2016 Annual Report, in accordance with IFRS requirements, values ​​all its investments in shares and equity interests at fair value through financial results.

*“In our opinion, the new structure fully reflects the nature of LARQ's business – we are the manager of a portfolio of companies that are leaders in their industries to systematically increase the value of our assets and generate satisfactory returns for our Shareholders. Since the published annual results for 2016 are not comparable to those published for the three quarters of 2016 and the year 2015, it is worth looking at them through the results of our major portfolio companies – Nextbike Polska, Brand 24 and Synergic. All three companies have grown dynamically in the past year. Based on the budgets of these companies, we prepared in March last year for the first time in LARQ's history a financial results forecast. I will remind you that in November 2016 we increased this forecast and now I can happily announce that we have kept our word to the investors and we have succeeded,”* says Mikołaj Chruszczewski, Member of the Management Board of LARQ SA.

The publication and performance of the LARQ Capital Group forecast for financial results (pro forma - comparable to results for 2015) is as follows:

- consolidated pro forma sales revenue: PLN 70.6 million vs. PLN 68.8 million forecast and PLN 43.9 million revenue in 2015 (61% y/y increase)

- consolidated pro forma EBITDA: PLN 11.6 million profit previously forecast at PLN 11.4 million profit against a loss of PLN 3.3 million loss on EBITDA in 2015.

The 2016 projection and consolidated pro forma results of LARQ consist of the following key LARQ portfolio results:

Nextbike Poland:

a fleet of 7,800 bicycles (+44% y/y)

PLN 34.6 million (+102% y/y), PLN 12.8 million EBITDA (+151% y/y)

Brand24:

1,507 active customers (+53% y/y)

PLN 5 million (+72% y/y), PLN 0.2 million EBITDA loss (vs. PLN 0.3 million loss in 2015)

Synergic:

22,100 m2 of advertising media available for sale (+27% y/y)

PLN 27.1 million revenue (+27% y/y), PLN 5.2 million EBITDA (+21% y/y)

*“All three of our key companies – Nextbike Polska, Brand 24 and Synergic – can boast solid performance dynamics for 2016. Nextbike, Poland's largest supplier and operator of urban cycling systems, has increased its fleet from around 5,000 to almost 8,000 bicycles. Considering the additional tenders won by the company for implementation in 2017 (including the tender for the implementation of Europe's largest bicycle system – the new Veturilo cycling system in Warsaw), as well as the growing influence from private sources, among others. advertising and sponsorship stations, we expect another year of dynamic growth of this portfolio company. It is worth recalling that our business partners last year were such reputable entities as Benefit Systems and Citibank – this year we will continue to actively look for this type of additional revenue stream. Brand24 – the owner of an online content monitoring tool sold worldwide in the SaaS model - has had another year of dynamic revenue growth of 70% y/y and, after reaching its dominant position in Poland, is successfully developing on foreign markets. It is an asset in which we see the highest dynamics of growth in subsequent quarters. It is worth recalling that both of the companies mentioned above gained new investors last year – Nextbike Polska attracted over a dozen professional investors in the Polish capital market, and in Brand24 – the Inovo venture capital fund and founders and key managers of LiveChat,”* says Mikołaj Chruszczewski, Member of the Management Board of LARQ SA.

*“The third, solid pillar of LARQ's portfolio is Synergic – a leader in the Polish market of non-standard outdoor advertising media. In the past year Synergic has systematically increased the advertising space available for sale in selected high-margin segments of the market and thus, on a stable advertising market, the revenue increased by more than 20% y/y, maintaining a high level of profitability. We expect similar growth for Synergic in 2017, in part due to the widening of the company's product offer for large format carriers on motorways and the emission of advertising in ATM networks.*

*In my opinion all three of our major portfolio companies have confirmed their excellent condition in 2016 and have built a solid foundation for further growth in 2017,"* concludes Mikołaj Chruszczewski.

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LARQ SA (twitter IR: [@LARQgroup](https://twitter.com/LARQgroup?ref_src=twsrc^tfw)) Is a Polish holding company listed on the main WSE stock exchange, managing companies operating in the area of ​​innovative media, new technologies and infrastructure. The business pillars of the company are dynamically developing entities with a dominant position in their market segments, including:

* Nextbike Polska – the largest supplier and operator of urban bicycle systems in Poland. at the end of November 2016, the company managed a fleet of nearly 8 thousand bicycles in 15 cities in Poland.
* Synergic – a leading national operator and owner of non-standard outdoor advertising media. The company's clients' advertising is displayed at almost all Polish airports and at key bus and train stations. The company is the exclusive operator of advertising space on urban bicycles and in underground passages in the largest Polish cities.
* Brand24 – the owner of an online content monitoring tool sold in the SaaS model Software as a Service). The company holds a dominant position on the Polish market in its product category. In 2015, Brand24 successfully launched the commercialization of its unique solution in the global market.

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