Warsaw, 28 March 2018

Dear Sirs!

For LARQ, the last year was another period of intensive assets growth, however, we are only fractionally satisfied with our results for that period. Our investees have once again proven themselves to be assets of above-the-average growth rate: 3 out of 4 of our key companies reported sales growth surpassing 30 % y/y. The company with the weakest growth rate during the last year increased its revenue by "only" 16 % on a stable market. Unfortunately, in certain cases, the reported revenue growth rate failed to translate into satisfactory financial performance. That combined with the extremely challenging development on the Warsaw capital market led to a deep drop in valuation of shares of our investees as well as LARQ shares.

LARQ's biggest investment is Nextbike Polska – the leader of the automated city cycling systems segment. Throughout the reporting period, that company continued to reinforce its leadership on the Polish cycling market. In 2018, the fleet of bicycles delivered and services by Nextbike Polska went up from 12,000 to almost 17,000. Last year, the Company launched the very first cycling system outside Poland, in the Finnish town of Turku, as well as the pioneer cycling system set up in collaboration with the Łódź Agglomeration Railways "Rowerowe Łódzkie". Also last year, Nextbike Polska won the tender for launching the Metropolitan Cycling System for the Tricity and neighbouring communes (the second largest system in Poland). Mevojest, the cycling system in the Tricity, is among the most advanced technologically and the largest systems around the world – and the largest in Europe – which is fully based on electrical bikes. Considering the scale of challenges involved, Nextbike Polska failed to put that system into operation on time; instead of the end of 2018, that system became operational in March 2019. The foregoing was reflected in both unsatisfactory results of that company and the drop in its capitalisation (by over 40% y/y).

We believe that the growth prospects for Nextbike Polska remain highly attractive. Since that company has won subsequent tenders, the growing proceeds from the sale of advertising space and private cycling stations as well as the close relationships with such business partners as Benefit Systems, Citibank or PKN Orlen, we are expecting a significant improvement of results to be generated by Nextbike Polska in 2019.

Our second largest investee is Brand24 – the owner of a proprietary tool to monitor online content, sold globally under the SaaS model (Software as a Service). Over 3,000 customers in 110 countries across the world already use Brand24's software. The company applied some of its floatation proceeds and harnessed its growing effectiveness to demonstrate once again a spectacular growth rate of revenue reaching 60 % y/y. We believe that, during this year, thanks to its continued efforts to improve product as well as sales and retention processes, Brand24 is able to maintain that high growth rate likewise in the previous periods.

LARQ's third main asset is Synergic – the leader of non-standard outdoor advertising media in Poland. Last year, despite the stable advertising market, Synergic was able to generate revenue

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growth of 16 % y/y by commercialising the advertising space in selected high-margin segments of the market. The foregoing combined with the high operational effectiveness, allowed the Company to increase its EBITDA by almost 30 % y/y. In 2019, we are expecting that Synergic should continue that high growth rate. Our expectations are based on the further increase of advertising space available for sale by that company as well as its planned commencement of commercialisation of digital media which is a pioneering effort on the Polish market.

Youlead is the fourth of our key assets. LARQ holds the majority stake in YouLead. YouLead is the owner of extended sales & marketing automation class tool for supporting the generation and conversion of sales leads, sold under the SaaS model. Youlead's customers are Poland's leading housing developers, car dealers and large e-commerce operators. The company experiences the intensive growth phase: last year, its revenue went up to PLN 2,000,000 (33 % growth y/y). We believe that Youlead will follow the path already set by Brand24 and will aggressively increase its scale of business in the incoming periods.

I am confident that LARQ and its industry-focused business strategy implemented via assets holdings, is an interesting proposal for investors that seek exposures to fast-growing selected companies from the innovative branches of the economy. I believe that the incoming year will be the year of intensive growth in value of our assets. I am positive that the last year will be satisfactory for us with the performance of LARQ and its key assets.

I am very grateful to our Shareholders for their confidence in and support of our efforts, and to everybody working in our companies for their continued commitment to the daily business and implementation of our common vision of development.

Sincerely Yours,

Krzysztof Przybyłowski, PhD

President of Management Board, LARQ S.A.