

**LARQ S.A.**

**CURRENT REPORT 4 / 2020**

**Report Date:**

11 February 2020

**Subject:**

Closing of the Transaction Associated with Nextbike GmbH's Investment in Nextbike Polska S.A.

**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 the Report**

The Management Board of the company styled LARQ S.A. of Warsaw (the **"Issuer"**, the **"Company"**), with reference to the Current Reports 25/2019, 26/2019, 27/2019, 28/2019, 29/2019, 30/2019 and 2/2020, hereby reports that, today, there was the closing of the transaction as contemplated in the Investment Agreement and the Preliminary Share Conversion Agreement (the **"Investment Agreement"**) made on 15 November 2019 between the Issuer, Nextbike Polska S.A. (**"Nextbike"**), Nextbike GmbH (**"Nextbike GE"**) and Larq Growth Fund I Fundusz Inwestycyjny Zamknięty (the **"Fund"**); the execution thereof was reported by the Issuer in its Current Report 30/2019 dated 16 November 2019; that transaction is associated with Nextbike GmbH's Investment in Nextbike Polska S.A (the **"Transaction"**).

The closing of the Transaction involved the following in fulfilment of the obligations arising out of the Investment Agreement:

1. Nextbike GE and the Fund have made the share conversion agreement whereunder Nextbike GE transferred to the Fund 318,000 (three hundred eighteen thousand) non-preference series F shares in Nextbike, and the Fund transferred to Nextbike GE 318,000 (three hundred eighteen thousand) series A shares in Nextbike that carry voting preferences so that each series A share in Nextbike gives the right to cast 2 (two) votes at the General Meeting of Nextbike (the **"Share Conversion"**); and
2. Following the Share Conversion, the Fund and Nextbike GE have made the registered pledge agreement for 318,000 (three hundred eighteen thousand) non-preference series F shares in Nextbike as due to the Fund following the Share Conversion, by way of security for certain commitments made by the Issuer and the Fund to cure damage suffered as a result of breach of any warranties and representations as made in the Investment Agreement, as well as the Issuer's liability for repayment of Nextbike's debt under the Loan and Guarantee Agreement as reported by the Issuer in its Current Report 30/2019.

After the closing of the Transaction, Nextbike GE will hold Nextbike's shares that account for 45.1% of Nextbike's share capital and carry 51.7% votes at the General Meeting of Nextbike; on the other hand, the Issuer and the Fund will jointly hold Nextbike's shares that account for 45% of Nextbike's share capital and carry 41.4% votes at the General Meeting of Nextbike. Hence, after the Share Conversion, the stake held by the Issuer in Nextbike (especially indirectly via the Fund) was reduced whereupon the control of Nextbike was assumed by Nextbike GE.

**Persons representing the Issuer:**

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