

Current Report No. 13/2018

Date of preparation: 6 September 2018

Subject: Execution of an agreement for delivery of software, licensing and provision of supplementary services by a subsidiary of Silvair, Inc.

Silvair, Inc. (“Company”) hereby reports that on 6 September 2018, the Company’s subsidiary, Silvair sp. z o.o. (“Silvair”) signed an agreement with DG Light S.r.l with its registered office in Cumiana, Italy (“DG Light”) for Silvair to deliver the Silvair Lighting Firmware with the Silvair MaTE tool, issue licenses and provide supplementary services.

Silvair also appointed DG Light as a non-exclusive partner responsible for introducing Silvair Lighting Firmware on the market and, on the terms and conditions set forth in the agreement, granted DG Light non-exclusive licenses for, among others, the use of the Silvair product for integration, testing and demonstration purposes and for reproduction and sale. DG Light is obligated to make payments for activated products only (i.e. for firmware with an activating code) on the terms and conditions specified in the agreement.

According to the agreement, before the production phase of a lighting component by DG Light begins, the parties are obligated to test the prototypes, during which Silvair is obligated to provide support sufficient to remove any possible irregularities in the operation of Silvair Lighting Firmware. As at the date of this current report, the parties have not yet finished the prototype testing process. The testing process will be completed when the parties sign the final acceptance report or when DG Light begins deliveries of the lighting component to the market. Silvair is also obligated to hold insurance policies as specified in the agreement.

The agreement was signed for a period of 5 years and cannot be terminated early, except in cases specified in the agreement related to, among others, breaches of the agreement, decline in the number of activated products below the level agreed upon in the agreement or launch of proceedings associated with insolvency, bankruptcy or similar proceedings in respect to the other party.

The agreement is governed by the Polish law and any disputes arising out of the agreement will be resolved by arbitration.

Legal basis: Article 17 Section 1 of the Market Abuse Regulation – confidential information.