

Current Report No. 11/2019

Date: 2019-07-10

Subject: Conclusion of agreements with OSRAM GmbH

Further to the current reports of Silvair, Inc. (the “**Company**”) No. 7 and 6 of 29 April 2019 and 28 March 2019, respectively, the Company announces that on 10 July 2019, the Company’s subsidiary - Silvair sp. z o.o. (“**Silvair**”) concluded with OSRAM GmbH with its registered office in Munich, the Federal Republic of Germany (“**OSRAM**”):

- (i) a supply, license and service agreement, under which Silvair agreed to supply Silvair Firmware software (the “**Firmware**”) with the set of tools to implement it on a production line (the “**Tools**”), Silvair also agreed to grant a license for the use of the Firmware and provide related services (the “**Supply Agreement**”);
- (ii) a service agreement for Silvair Commissioning tools for managing lighting systems, made available on a Software as a Service (SaaS) basis, under which Silvair agreed to provide, operate and maintain digital tools for planning, configuration and management of an intelligent lighting control system (jointly the “**Services**”) and to provide related services (the “**Service Agreement**”, together with the Supply Agreement the “**Agreements**”).

Under the Supply Agreement, Silvair agreed to provide support services regarding the Firmware and the Tools pursuant to the terms specified in the Supply Agreement. Silvair’s remuneration includes fees for the Firmware licenses and Tools’ maintenance on the terms specified in the Supply Agreement.

Under the Supply Agreement, OSRAM agreed, in particular, to take specified actions as part of the cooperation with Silvair related to testing and producing lighting components using the Firmware (the “**Components**”). In connection with the above, Silvair granted OSRAM a non-exclusive, worldwide, non-transferable (except for the sublicenses specified in the Supply Agreement) license for the Firmware.

Under the Service Agreement, Silvair agreed to provide OSRAM with the Services pursuant to the terms specified in the Service Agreement. Silvair’s remuneration includes a setup fee for the Services and subscription fee for access to the Services.

Under the Service Agreement, OSRAM agreed, in particular, to take specified actions as part of the cooperation with Silvair related to the use of the Tools, lighting devices and the Components.

The Agreements are of a framework nature and therefore they do not specify the detailed obligations of the parties, which would make it possible to estimate their impact on the future financial situation of the Company and the amount of its revenues at this stage. If OSRAM purchases a material number of such licenses or the Tools or commissions a material number of lighting devices with the use of the Services, the Agreements will become a significant source of revenue for the Company.

The execution of the Agreements with OSRAM is an important element of the Company's strategy for the commercialization of its products and services on a global scale, which may facilitate the adoption of solutions offered by the Company (in particular the Firmware and the Tools) and entering of products based on the Company's technology to a wide global distribution network.

The Agreements are executed for an unspecified term and may be terminated by either party at any time with notice period of 12 months, in case of a material breach of the Agreements (save for the

remedy period therein) or with immediate effect in case of initiation of bankruptcy or any proceedings relating to insolvency, receivership, liquidation or restructuring for the benefit of creditors. The Agreements are governed by the laws of the Federal Republic of Germany, and any disputes are to be resolved in arbitration.

Legal basis: Article 17 Section 1 of the MAR Regulation – inside information.