

Current Report No. 15/2018

Date of preparation: 28 November 2018

Subject: End of subscription of the Company's shares in the Offering – supplement to current report no. 2/2018 of 18 July

Silvair, Inc. („Company”), as a supplement to the Company's current report no. 2/2018 of 18 July 2018, hereby announces publicly the information about the costs related to the completed subscription for Offer Shares in the Offering.

All the capitalized terms that are not defined in this current report have the meaning given to them in the prospectus of the Company's shares approved by the Polish Financial Supervision Authority on 25 June 2018.

1. The amount of total costs classified as costs of the issue, broken down into specific types of costs: a) preparation and execution of the offering, b) fees paid to underwriters, for each separately, c) preparation of the prospectus, including consulting costs, d) promotion of the offering – including the methods used to account for these costs in the accounting ledgers and how they are recognized in the financial statements of the issuer;

The total amount of costs related to the Offering incurred by the Company was PLN 4,635 thousand, of which:

- Cost of preparation and execution of the Offering: PLN 1,555 thousand,
- Cost of fees paid to underwriters, for each separately: not applicable. The Company has not signed firm commitment underwriting or standby underwriting agreements.
- Cost of preparation of the issue prospectus, including costs of consulting: PLN 2,875 thousand, and
- Cost of promoting the Offering: PLN 205 thousand.

The costs related to the subscription were incurred by two Silvair Group entities, i.e. Silvair, Inc. (Parent) in the amount of PLN 4,430 thousand and partially by Silvair Sp. z o.o. (Subsidiary) in the amount of PLN 205 thousand.

In the Parent Company's accounting ledgers, the costs of subscription were posted in the balance sheet account of “Cost of share issue” corresponding to other liabilities. As at the date of preparation of this report, all the liabilities arising from the subscription have been settled and the balance of the “Cost of share issue” account reduces the level of “Other capital” presented in the balance sheet of the Parent Company and in the consolidated balance sheet of the Silvair Group.

In the Parent Company's accounting ledgers, the costs of subscription were posted to the costs of “External services” in correspondence with other liabilities. As at the date of preparation of this report, all the liabilities arising from the subscription have been settled.

For the purposes of preparation of the consolidated financial statements of the Silvair Group, an appropriate adjustment of subscription costs has been made in such a way as to ensure that all the subscription costs were presented as reduction of “Other capital” in the Group's consolidated balance sheet. The amount of incurred subscription costs reduces the surplus of the share issue price over the par value of shares (share premium), which is presented in “Other capital” of the Group's consolidated balance sheet.

2. The average cost of subscription or sale per unit of securities covered by the subscription or sale:

The average cost of the Offering per Offer Share amounted to PLN 3.91.

Legal basis: Article 56 section 1 item 2) of the Act on public offerings and the conditions for offering financial instruments in an organized trading system and on public companies.