

Current Report No. 5/2021

Date: 11 February 2021

Subject: Widening of the scope of cooperation with OSRAM GmbH to provide services within Horticulture Lighting Market.

Further to the current report No. 6 of Silvair, Inc. (the “**Company**”) of 28 March 2019, the current report No. 7 of the Company of 29 April 2019 and the current report No. 11 of the Company of 10 July 2019, the Company announces that on 11 February 2021 the Company’s subsidiary, i.e. Silvair sp. z o.o. (“**Silvair**”) concluded with OSRAM GmbH with its registered office in Munich, Federal Republic of Germany (“**OSRAM**”) an annex to the service agreement for Silvair Commissioning tools for managing lighting systems, made available on a Software as a Service (SaaS) basis, of 8 July 2019 (the “**Service Agreement**”) (the “**Annex**”).

With the signing of the Annex, Silvair expanded its product portfolio covered by the Service Agreement to the data acquisition and processing services based on lighting infrastructure (“**Silvair Connected Services**”) used by OSRAM on the horticulture lighting market (the “**Horticulture Lighting Market**”), *inter alia*, under the Fluence brand. Silvair Connected Services, in addition to (i) the sale of Silvair Firmware and (ii) the supply of digital tools to lighting installations management, have become the third component of Silvair’s revenues.

Pursuant to the Annex, Silvair expands the sale market for its products by adding the new segment of the Horticulture Lighting Market. As part of its services Silvair will provide OSRAM with application programming interfaces in a subscription model. Pursuant to the Annex, OSRAM agreed to purchase, by 31 December 2021, at least 15,000 licenses for Silvair Firmware along with the digital tools with a value of no less than USD 30,000 and to pay a subscription fee for the services provided by Silvair.

In the opinion of the Management Board of the Company, the execution of the Annex may constitute an important source of Silvair’s revenues in the following years. The key drivers for the expansion of the Horticulture Lighting Market include: (i) a growing number of legislative initiatives on the global market promoting the Controlled-Environment Agriculture and the Solid State Lighting as part of the controlled plant cultivation; (ii) a growing demand for food; and (iii) increase in funds available for the development of vertical farming and greenhouses.

Pursuant to the Annex, the Services Agreement, to the extent that it refers to Silvair Connected Services will remain in force until 1 December 2025, with an automatic extension for another 24 months, unless it is earlier terminated by Silvair or OSRAM with six months’ notice. In the remaining scope, the term of the Service Agreement has not changed. The Annex is governed by the laws of the Federal Republic of Germany, and any disputes arising from it will be settled by arbitration.

In the opinion of the Company, the execution of the Annex is an important element of implementing the Company’s strategy for the commercialization of its products and services, which has a particular significance at the time of the COVID-19 pandemic.

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