

Current Report No. 23/2020

Date: 26.10.2020

Subject: Offer of new shares of common stock issued within the Company's authorized capital

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With reference to current report of Silvair, Inc. (the "**Company**") No. 10 dated 26 June 2019, the Company hereby announces that on 26 October 2020 the Company's Board of Directors adopted resolutions regarding offer of new shares of common stock issued within the Company's authorized capital (the "**New Shares**") (the "**Offer**"). Under the Offer, the Company will issue 815,000 New Shares at the issue price of 7,50 PLN on the terms and conditions set forth in the conditional placement agreement executed on 26 October 2020 by the Company and Trigon Dom Maklerski S.A. ("**Trigon**").

The Offer will be made by way of a public offering in Poland addressed exclusively to investors acquiring New Shares with a total value of at least EUR 100,000 per investor, referred to in Article 1 Section 4 Letter (d) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and a private placement outside the United States in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

The Company's shareholders do not have any pre-emptive or similar rights with respect to the New Shares. The New Shares shall be allocated at the Company's Board of Directors discretion to investors selected by the Board of Directors and authorized to participate in the Offer. In addition, the Company intends to apply for the dematerialization of the New Shares, and their admission and introduction to trading on the regulated market of the Warsaw Stock Exchange (*Gięlda Papierów Wartościowych w Warszawie S.A.*) ("**WSE**") (the "**Admission**"). The New Shares, fully fungible with the Company's shares already admitted to trading on WSE represent, over a period of 12 months, less than 20% of the number of Company's shares already admitted to trading on WSE as specified in Article 1 Section 5 Letter (a) of the Prospectus Regulation. Therefore, the requirement to prepare and publish a prospectus in connection with the Offer and the Admission will not apply in accordance the Prospectus Regulation.

Pursuant to the Placement Agreement, Trigon agreed to provide services to the Company for the purpose of the placement of the New Shares on the terms set out in the Placement Agreement. The Placement Agreement does not constitute an obligation of Trigon to purchase or sell any financial instruments and does not guarantee the Admission, the conduct of the Offer or placement of any part of any other financial instruments of the Company. The Placement Agreement contains standard conditions precedent to the Trigon's undertakings encountered in such agreements entered into in connection with transactions similar to the Offer, as well as defining the conditions for its termination that are typical for this kind of agreements. The Placement Agreement also contains representations and warranties concerning the Company within the standard scope of such representations and warranties made by the issuers of securities in such agreements related to transactions similar to the Offer. On the terms defined in the Placement Agreement, Trigon and other persons named in the Placement Agreement will be indemnified and held harmless against certain claims, liabilities or costs that might be sought from or raised against Trigon or other designated persons in connection with the Placement Agreement

(indemnity clause). The Placement Agreement is governed by the laws of State of Delaware and is subject to the jurisdiction of court of Delaware or the federal courts of the United States located in Delaware.

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

Disclaimer

This current report was prepared in accordance with Article 17 Section 1 of the Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation).

This material constitutes fulfillment of disclosure obligations to which the Company is subject as a public company with shares listed on a regulated market in Poland and is not an offer for sale of securities in the United States of America or any other jurisdiction. This current report is by no means intended, whether directly or indirectly, to promote the offering, subscription or purchase of the New Shares and does not represent advertisement or promotional material prepared or published by the Company for the purpose of promoting the New Shares or their offering or subscription or for the purpose of encouraging an investor, whether directly or indirectly, to subscribe for or acquire the New Shares. The Company has not published and has no intention of publishing any materials aimed at promoting the New Shares or their offering or subscription after the date of this current report.

The securities referred to in this material (the “**Securities**”) have not been, and will not be, registered under the Securities Act, and may not be offered or sold, except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act. The Securities are being offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. The Company does not intend to register any part of the offering in the United States. The Securities will be “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and hedging transactions involving the Securities may not be conducted unless in compliance with the Securities Act.

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