

Current Report No. 17/2018

Date: 2018-12-21

Subject: Conclusion of contracts by Silvair sp. z o.o. for the delivery of a product, accompanying services and granting a Silvair Lighting Firmware license and for sharing Silvair, Inc. digital tools.

Silvair, Inc. ("**Issuer**") announces, that on December 21, 2018, Silvair sp. z o.o., a subsidiary of the Issuer ("**Company**") concluded an agreement with Zumtobel Group AG, based in Dornbirn, Austria ("**Zumtobel**"), whereby the Company agreed to deliver Silvair Lighting Firmware with Silvair MaTE ("**Software**") and to provide accompanying services to Zumtobel by the Company ("**Delivery Agreement**") and to provide, operate and maintain digital tools for planning, configuration and commissioning of an intelligent lighting control system (jointly the "**Commissioning Tool**") and to provide related services to Fulham ("**Service Agreement**").

On the basis of the Delivery Agreement, the company agreed to provide support services regarding the Software in accordance with the parameters and in the periods indicated in the contract.

The Company's remuneration includes only fees for so-called activated firmware (i.e. the Firmware with an activation key uploaded by MaTE) on conditions and on dates specified in the Delivery Agreement. Zumtobel agreed, in particular, to take the actions referred to in the Delivery Agreement in terms of providing, selling and marketing the Software, provide information necessary to use the Software and cooperate with the Company in using the Software, lighting devices and components compatible with the Bluetooth mesh technology.

Parties agreed to run prototype testing process, during which the Company is obliged to provide the necessary support to remove any defects in the functioning of the Software. Testing process is acknowledged as completed at the moment when a final acceptance protocol is signed by both parties or Zumtobel starts delivery of the lighting component to the market.

The Company also appointed Zumtobel, as a non-exclusive partner responsible for launching the Software onto the market and grants Zumtobel a non-exclusive license i.a. for using the Company's product to the objectives related to integration, testing and demonstration as well as in the field of reproduction and sales.

The Delivery Agreement is concluded for undefined period of time and may be terminated by either party at any time with notice period of 12 months, excepting of the conditions described thereto related to the violation of the provisions of the Delivery Agreement.

The Delivery Agreement is governed by the laws of Poland, and any disputes are to be resolved in arbitration.

On the basis of the Service Agreement, the Company agreed to provide support services for the Commissioning Tool in accordance with the parameters and in the periods set out in the Service Agreement. The Company's fee under the Service Agreement comprises a remuneration for the development, provision and maintenance of the Commissioning Tool, commissioning the devices with use of the Commissioning Tool, testing the lighting devices and components as well as the data transfers specified in the Service Agreement. Zumtobel agreed, in particular, to take the actions referred to in the Service Agreement in terms of providing, selling and marketing the Commissioning Tool, provide information necessary to use the Tools and cooperate with the Company in using the Commissioning Tool, lighting devices and components compatible with the Bluetooth mesh technology.

The Service Agreement is concluded for undefined period of time and may be terminated by either party at any time with notice period of 12 months, excepting of the conditions described therein i.a. in

violation of the provisions of the Service Agreement or initiation of proceedings related to insolvency, bankruptcy, receivership.

The Service Agreement is governed by the laws of Poland, and any disputes are to be resolved in arbitration

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