

Current Report No. 8/2019

Date: 2019-05-07

Subject: Conclusion of a branded commissioning service agreement for Silvair, Inc. tools

Silvair, Inc. (the “**Company**”) announces that on 7 May 2019, the Company concluded an agreement with McWong International Inc. of Sacramento, California, USA (“**McWong**”) whereby the Company agreed to provide, operate and maintain digital tools for planning, configuration and commissioning of an intelligent lighting control system (jointly the “**Commissioning Tools**”) and to provide related services to McWong (the “**Agreement**”).

In particular, pursuant to the Agreement, the Company agreed to provide, in favor of McWong, support services for the Commissioning Tools in accordance with the parameters and in the periods set out in the Agreement, for a flat remuneration, for preparing and maintaining the Commissioning Tools, the amount of which is immaterial from the point of view of the Company’s operations. The Agreement also provides variable remuneration for the Company for the performance of the Company’s obligations, the amount of which depends in particular on the number of lighting devices commissioned by McWong with the Commissioning Tools.

The Agreement does 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. In particular, the Agreement does not contain an undertaking by McWong to commission a minimum number of lighting devices employing the Commission Tools and thus, it does not allow to estimate the amount of revenues that the Company may obtain under the Agreement. The Company is unable to estimate the number of devices that will be commissioned by McWong under the Agreement. As a result, the Agreement will become a significant source of revenue for the Company, only if McWong commissions a material number of lighting devices employing Commission Tools.

McWong agreed, in particular, to take the actions referred to in the Agreement in terms of providing, selling and marketing the Commissioning Tools, provide information necessary to use the Commissioning Tool and cooperate with the Company in using the Commissioning Tools, lighting devices and components compatible with the Bluetooth mesh technology.

The Agreement is concluded for an undefined period of time and may be terminated by either party at any time with a notice period of 12 months. On the terms specified in the Agreement, the Agreement may be terminated without a notice period in case of material breach occurs or insolvency, bankruptcy or similar proceedings are initiated against one of the parties.

The Agreement is governed by the laws of the State of California, USA, and any disputes arising out of the Agreement are to be resolved in arbitration.

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