Interim condensed consolidated financial statements of the Silvair, Inc. Group

Kraków, 22 September 2026

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General information

Parent company

Name:	**Silvair, Inc.**
Changes to identification data that occurred after the end of the previous reporting period:	**None**
Headquarters:	**San Francisco, USA**
Registered office:	**717 Market Street, Suite 100, San Francisco, CA 94103, USA**
Primary place of business:	**United States of America**
Core business:	**IT business**
Legal form:	**American law company (Inc.)**
Country of registration:	**USA**
Registration authority:	**Secretary of State, Delaware Department of State, Delaware Corporate Number - 5543093**
EIN: (Employer Identification Number)	**43-2119611**
Company's duration:	**Unlimited**
Name of the group's parent company:	**Silvair, Inc.**
Name of the group's ultimate parent company:	**Silvair, Inc.**
End date of the reporting period:	**2026-06-30**
Period covered by financial statements:	**From 1 January 2026 to 30 June 2026**
Presentation currency:	**US Dollar (USD)**
Level of rounding used in financial statements:	**All amounts, unless indicated otherwise, are expressed in thousands of USD ("USD '000s")**
LEI code	**549300Q23N6B0O12P505**
Explanation of changes in the reporting entity's name or other identification data since the end of the previous reporting period	**Did not occur**

Group's business

Silvair, Inc. ("Issuer," "Company") is a corporation organized and existing under the laws of the State of Delaware. The Company was incorporated on 30 May 2014 as a corporation. The Company is registered with the Delaware Secretary of State under Delaware Corporate Number 5543093 and was incorporated for an indefinite term. The Company is the parent company of the Company's Group described later in this report.

Silvair, Inc. is a provider of advanced wireless technologies that support property owners and managers in digitizing their infrastructure, optimizing energy consumption, and increasing building operational efficiency. Silvair solutions are aligned with the rapidly growing Proptech market, addressing the key needs of modern commercial properties.

Our products and services are based on the Bluetooth NLC standard, which we have co-created from the outset within the Bluetooth SIG organization. It is the first global and open standard for wireless lighting control, and we are currently developing it for broader applications in building automation. Since the standard's publication, Silvair has consistently been a global leader in Bluetooth NLC-based software.

Silvair develops wireless technologies for a broad range of building infrastructures – from lighting control, emergency lighting testing, and HVAC system integration, through installation management and monitoring services, to data processing within the Internet of Things (IoT).

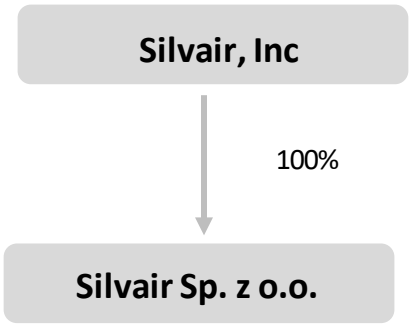
We provide a comprehensive technology ecosystem, enabling partners to quickly and cost-effectively integrate our wireless solutions with their products and systems. This includes software for electronic components, a platform for commissioning, configuring, and managing device networks, and a wide range of digital services.

We continually invest in technological development, which enables us to introduce innovative products for new applications, including: space occupancy monitoring, predictive maintenance that enables identification of equipment failures before they occur, and radio-based asset tracking that enables identification of key assets in commercial spaces.

Silvair monetizes its solutions through a licensing and subscription model, ensuring stable and recurring revenue and long-term value for customers. The Group's business activities span the global market, particularly in Europe, North America, and Asia.

Silvair, Inc. Group

The Group's structure as at 30 June 2026.



Functional and presentation currency

The interim condensed consolidated financial statements are presented in the US dollar (USD), which is the Parent Company's functional currency and the Group's presentation currency; unless otherwise stated, all amounts are expressed in thousands of American dollars ("USD '000s").

For each subsidiary, functional currency is determined and the assets and liabilities of the subsidiary are measured in that functional currency. The Group uses the direct consolidation method, which entails translation of the financial statements of its subsidiaries directly into the functional currency of the ultimate parent company, and it has chosen a method of recognizing translation gains and losses that is consistent with this method.

The Group uses the average USD/PLN exchange rate of the National Bank of Poland as the immediate exchange rate. The results and the financial position of all the Group entities, whose functional currencies differ from the presentation currency, are translated into the presentation currency as follows:

- assets and liabilities in each statement of financial position are translated at the closing exchange rate in effect on that balance sheet date;
- income and expenses in each statement of comprehensive income are translated at average exchange rates (unless the average exchange rate is not a satisfactory approximation of the cumulative effect of exchange rates on the transaction dates – in such a case, income and expenses are translated at the exchange rates in effect on the relevant transaction dates);
- equity of subsidiaries and interests in subsidiaries are excluded for consolidation purposes at the historical exchange rate as at the date of taking up the shares; and
- any resulting foreign exchange differences are cumulatively recognized in other comprehensive income as a separate component of equity.

Presentation periods

The interim condensed consolidated financial statements were prepared as at 30 June 2026 and cover the period of 6 months, i.e. from 1 January 2026 to 30 June 2026. For the data presented in the interim

condensed consolidated statement of financial position and off-balance sheet items, comparative financial data were presented as at 30 June 2025 and as at 31 December 2025.

For the data presented in the interim condensed consolidated: profit and loss account with the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement, comparative financial data were presented for the period from 1 January 2025 to 30 June 2025.

Going concern assumption

The interim condensed consolidated financial statements have been drawn up based on the going concern assumption for the foreseeable future. As at the date these condensed consolidated financial statements were authorized for issue, there are no material uncertainties relating to events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern.

In the first half of 2026, nearly 252 thousand devices utilizing the Group’s technology were installed in projects worldwide, compared to 179 thousand devices installed during the same period of the previous year, which represents a year-on-year increase of over 40%. In February, the total number of devices installed since the start of commercialization surpassed the 1 million mark.

In the first half of the year, the number of devices manufactured by partners was lower than in the previous year, affecting the Group's revenue, a significant portion of which is currently generated at the component manufacturing stage. In the Board's assessment, the discrepancy between production and installation rates stems primarily from partners utilizing inventories accumulated during earlier periods of high production activity. Meanwhile, the sustained high pace of installations indicates continued growth in the actual deployment of Silvair technology in commercial buildings and will generate significant demand for further devices in future periods. In August of this year, the total number of devices manufactured by Silvair partners since the start of commercialization surpassed 2 million units.

An important element of the Group’s continued growth is the gradual expansion of its product portfolio beyond the scope of lighting control. The solutions being developed enable increasingly broad integration of lighting infrastructure with other building systems, including heating, ventilation, and air conditioning (HVAC) systems, central building management systems (BMS), and solutions for automated emergency lighting testing (ELT). This allows for the use of shared infrastructure and the data it generates to optimize the operation of additional systems, thereby enhancing the value of Silvair’s technology for property owners and managers. This direction is further supported by the development of the Bluetooth NLC standard, the scope of which is extending to encompass other parts of building infrastructure.

In parallel, the Group is developing a new generation of Connected Lighting services and the infrastructure required to deliver them, including the Silvair Cloud Gateway solution. Silvair Cloud Gateway is designed to enable, among other things, remote system management and diagnostics, remote monitoring, scheduling, and the analysis of data regarding building operations. Alongside this new infrastructure, the Group has also built a new commercial model for Connected Lighting services aimed at enhancing the offering's scalability, lowering implementation costs, and making the services accessible to a wider range of projects. In the long term, this will significantly increase the share of recurring revenue within the Group’s business model.

In the first half of the year, the ecosystem of products utilizing Silvair technology expanded to include, among others, the LUXOMESH platform from the German company B.E.G. and a new range of LEDVANCE products designed for the North American market. Silvair’s active presence at key industry events in Europe, North

America, and Asia is resulting in the acquisition of new partners and supporting the development of existing relationships.

In the Board's assessment, the growing number of installations, the increasing scale and diversity of the ecosystem, the continued development of the Bluetooth NLC standard, and the expansion of the Group's portfolio to include solutions for additional building systems lay the foundation for the further scaling of Silvair's operations and confirm the validity of the going concern assumption for the foreseeable future.

Composition of the corporate bodies of the Parent Company as at 30 June 2026

Board of Directors:

Szymon Słupik — President

Adam Gembala — Vice-President, Secretary and Treasurer

Rafał Han — Director

Christopher Morawski — Director

Officers:

Rafał Han — Chief Executive Officer (CEO)

Szymon Słupik — Chief Technology Officer (CTO)

Adam Gembala — Chief Financial Officer (CFO)

As at the publication date, the composition of the Parent company's corporate bodies remained unchanged.

Consolidation

Silvair, Inc. is the Group's parent company preparing interim condensed consolidated financial statements. The reporting entity Silvair, Inc. is, at the same time, the ultimate parent company that prepares consolidated financial statements.

As at 30 June 2026, as at 31 December 2025 and as at 30 June 2025, consolidation encompasses Silvair, Inc. and its subsidiary Silvair Sp. z o.o.

As at 30 June 2026, as at 31 December 2025 and as at 30 June 2025, Silvair, Inc. held directly 100% shares in Silvair Sp. z o.o.

The financial data of the subsidiary, after taking into consideration adjustments introduced to make it compliant with IFRS, are prepared for the same reporting period as the statements of the Parent Company, applying consistent accounting principles, based on uniform accounting principles applied for transactions and similar economic events. IFRS conversion adjustments are made in order to eliminate any discrepancies in the application of accounting policies. Silvair, Inc. verifies whether or not it has control over other entities if an event occurs that indicates a change of one or more of the above conditions of control. Any significant balances and transactions between the Group's entities, including unrealized profit from intra-Group transactions, have been fully eliminated.

Selected financial data

Average USD to EUR exchange rates in the periods covered by the interim consolidated financial statements are calculated as a quotient of the EUR/PLN and USD/PLN exchange rates published by the National Bank of Poland.

Average USD/EUR exchange rates in the periods covered by the interim condensed consolidated financial statements:

Reporting period	Average exchange rate in the period	Minimum exchange rate in the period	Maximum exchange rate in the period	Exchange rate as at the last day of the period
01.01.2026 – 30.06.2026	1,1642	1,1353	1,1987	1,1394
01.01.2025 – 30.06.2025	1,1005	1,0194	1,1730	1,1730
01.01.2025 – 31.12.2025	1,1298	1,0194	1,1849	1,1736

Average USD/PLN exchange rates in the periods covered by the interim consolidated financial statements:

Reporting period	Average exchange rate in the period	Minimum exchange rate in the period	Maximum exchange rate in the period	Exchange rate as at the last day of the period
01.01.2026 – 30.06.2026	0,2738	0,2649	0,2853	0,2652
01.01.2025 – 30.06.2025	0,2607	0,2386	0,2765	0,2765
01.01.2025 – 31.12.2025	0,2666	0,2386	0,2790	0,2777

The individual items of assets and liabilities and equity in the interim condensed consolidated statement of financial position have been translated using an exchange rate calculated as a quotient of the EUR/PLN and USD/PLN exchange rates published by the National Bank of Poland in effect on the last day of the period.

The individual items of the interim condensed consolidated profit and loss account and the interim consolidated cash flow statement have been translated using an exchange rate calculated as a quotient of the exchange rates constituting an arithmetical mean of the average EUR/PLN and USD/PLN exchange rates published by the National Bank of Poland as at the last day of each month in the reporting period.

Selected financial data translated as at the balance sheet date:

For line items of the profit and loss account and the cash flow statement

Item	USD		EUR		PLN	
	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025
Net revenue on the sale of products, goods and materials	2 082	2 374	1 788	2 161	7 604	9 120
Operating profit (loss)	3	701	3	638	11	2 693
Profit (loss) before tax	-127	534	-109	486	-464	2 051
Profit (loss) of the period	-225	499	-193	454	-822	1 917
Net cash flows from operating activities	884	1 094	759	996	3 229	4 203
Net cash flows from investing activities	-1 172	-1 198	-1 007	-1 091	-4 280	-4 602
Net cash flows from financing activities	522	-9	448	-8	1 906	-35
Total net cash flows	234	-113	200	-103	855	-434

For items of the statement of financial position

Item	USD		EUR		PLN	
	30.06.2026	**31.12.2025**	**30.06.2026**	**31.12.2025**	**30.06.2026**	**31.12.2025**
Total assets	15 753	16 017	13 826	13 648	59 400	57 677
Liabilities and provisions for liabilities	6 885	6 327	6 043	5 391	25 962	22 784
Non-current liabilities	433	1 622	380	1 382	1 633	5 841
Current liabilities	6 452	4 705	5 663	4 009	24 329	16 943
Equity attributable to the shareholders of the parent company	8 868	9 690	7 783	8 257	33 439	34 894
Share capital	1 755	1 755	1 540	1 495	6 618	6 320
Number of shares	17 547 405	17 547 405	17 547 405	17 547 405	17 547 405	17 547 405
Weighted average number of shares	17 547 405	17 527 575	17 547 405	17 527 575	17 547 405	17 527 575
Earnings (loss) per share (in USD, EUR and PLN)	-0,01	0,03	-0,01	0,03	-0,05	0,11
Book value per share (in USD, EUR and PLN)	0,51	0,55	0,44	0,47	1,91	1,99

Representation by the Board of Directors

The scope of these condensed consolidated financial statements, which are part of the semi-annual report, complies with the requirements of International Accounting Standard no. 34 "Interim Financial Reporting" approved by the EU ("IAS34").

The scope of the interim condensed consolidated financial statements, which are part of the semi-annual report, complies with the Finance Minister's Regulation of 6 June 2025 on the current and periodic information transmitted by securities issuers and the conditions for recognizing the information required by the regulations of a non-member state as equivalent (consolidated text: Journal of Laws of 2025, Item 755) ("Regulation"), and covers the half-year reporting period from 1 January 2026 to 30 June 2026 and the comparative period from 1 January 2025 to 30 June 2025 for the interim consolidated profit and loss account with the consolidated statement of comprehensive income, the interim consolidated cash flow statement, and the interim consolidated statement of changes in equity, respectively, however the last-mentioned statement additionally presents data for the comparative period from 1 January to 31 December 2025. The data of the interim consolidated statement of financial position are presented as at 30 June 2026, together with comparative data as at 31 December 2025 and as at 30 June 2025.

Silvair, Inc. Group informs that the representations by the Board of Directors regarding preparation and publication of these condensed consolidated financial statements for the period from 1 January to 30 June 2026 are presented in the Report of the Board of Directors of Silvair, Inc. on the activity of the Silvair, Inc. Group for the first half of 2026.

Interim condensed consolidated financial statements of Silvair, Inc. Group

Interim consolidated statement of financial position

(amounts in USD thousand)	Note no.	30 June 2026	31 December 2025	30 June 2025
Non-current assets		**13 713**	**14 414**	**14 335**
Capitalized expenditures on development work	**1**	13 070	13 624	13 399
Computer software	**2**	26	30	34
Property, plant and equipment	**3**	2	5	8
Right-of-use assets	**3.7**	225	268	298
Financial assets	**4**	-	-	-
Deferred tax assets	**5**	390	487	596
Current assets		**2 040**	**1 603**	**1 479**
Inventory	**6**	14	14	4
Trade receivables and other receivables	**7÷10**	1 063	860	1 311
Cash and cash equivalents	**11**	963	729	164
Total assets		**15 753**	**16 017**	**15 814**

(amounts in USD thousand)	Note no.	30 June 2026	31 December 2025	30 June 2025
Equity		**8 868**	**9 690**	**9 593**
Equity attributable to the shareholders of the parent company		**8 868**	**9 690**	**9 593**
Share capital	**12**	1 755	1 755	1 754
Capital from revaluation of options	**13**	183	183	191
Share premium account	**14.2**	30 938	30 925	30 903
Other capital	**14.3**	1 301	1 911	1 845
Retained earnings	**15**	-25 309	-25 084	-25 100
Equity attributable to non-controlling entities		**-**	**-**	**-**
Non-current liabilities		**433**	**1 622**	**2 198**
Deferred tax liabilities	**17**	-	-	3
Lease liabilities	**18.1**	159	194	232
Liabilities on bonds convertible to shares	**20.1.1**	-	1 088	1 572
Prepayments and accruals related to grants	**21**	274	340	391
Current liabilities		**6 452**	**4 705**	**4 023**
Trade liabilities and other current liabilities	**19**	553	547	555
Liabilities from contracts with customers	**20.4**	715	690	714
Lease liabilities	**18.1**	64	74	72
Liabilities on bonds convertible to shares	**20.1.1**	4 862	3 104	2 427
Other short-term provisions	**20.3**	156	183	149
Prepayments and accruals related to grants	**21**	102	107	106
Equity and liabilities		**15 753**	**16 017**	**15 814**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Interim consolidated profit and loss account with consolidated statement of comprehensive income

Interim consolidated profit and loss account (amounts in USD thousand)	Note no.	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025	01.04.2026 – 30.06.2026*	01.04.2025 – 30.06.2025*
Revenue	**22**	**2 082**	**2 374**	**1 349**	**1 341**
Cost of sales		**1 154**	**979**	**575**	**506**
Gross sales result		**928**	**1 395**	**774**	**835**
Selling and distribution expenses		395	260	204	145
General and administrative expenses		577	481	311	229
Other operating income	**24**	63	65	30	28
Other operating expenses	**25**	16	13	11	9
Losses on account of expected credit losses	**25**	-	5	-	5
Operating result		**3**	**701**	**278**	**475**
Financial income	**27**	-	-	-	-
Financial costs	**28**	130	167	76	72
Result before tax		**-127**	**534**	**202**	**403**
Income tax	**29**	98	35	91	75
Net profit/(loss) for the period		**-225**	**499**	**111**	**328**
Profit/(loss) attributable to:					
shareholders of the parent company		-225	499	111	328
non-controlling interest		-	-	-	-

Earnings/(loss) per share (amounts in USD)		01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025	01.04.2026 – 30.06.2026*	01.04.2025 – 30.06.2025*
Net earnings/(loss) per share	**16**	-0,01	0,03	0,01	0,02
Diluted earnings/(loss) per share		-0,01	0,02	0,01	0,01

** Unaudited data*

Annual consolidated statement of other comprehensive income (amounts in USD thousand)	**01.01.2026 – 30.06.2026**	**01.01.2025 – 30.06.2025**	**01.04.2026 – 30.06.2026***	**01.04.2025 – 30.06.2025***
Net profit/(loss) for the period	**-225**	**499**	**111**	**328**
Other comprehensive income	**-610**	**1 483**	**-119**	**810**
Other comprehensive income to be reclassified to result in the future	-610	1 483	-119	810
Foreign exchange differences from translation of foreign operations	-610	1 483	-119	810
Other comprehensive income not to be reclassified to result in the future	-	-	-	-
Total comprehensive income	**-835**	**1 982**	**-8**	**1 138**
Total comprehensive income attributable to:				
Shareholders of the parent company	-835	1 982	-8	1 138
Non-controlling interest	-	-	-	-

** Unaudited data*

Interim consolidated statement of changes in equity

Annual consolidated statement of changes in equity (amounts in USD thousand)	Share capital	Capital from revaluation of options	Share premium account	Other capital	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling interest	Total equity
At the beginning of the period 01.01.2026	**1 755**	**183**	**30 925**	**1 911**	**-25 084**	**9 690**	**-**	**9 690**
Exercise of stock options for Company shares	-	-13	13	-	-	-	-	-
Issue of new shares as part of the stock plan	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-
Valuation of stock options under IFRS 2	-	13	-	-	-	13	-	13
Issue and conversion of bonds convertible to shares	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-225	-225	-	-225
Other comprehensive income for the period	-	-	-	-610	-	-610	-	-610
At the end of the period 30.06.2026	**1 755**	**183**	**30 938**	**1 301**	**-25 309**	**8 868**	**-**	**8 868**

Annual consolidated statement of changes in equity (amounts in USD thousand)	Share capital	Capital from revaluation of options	Share premium account	Other capital	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling interest	Total equity
At the beginning of the period 01.01.2025	**1 748**	**187**	**30 885**	**362**	**-25 599**	**7 583**	**-**	**7 583**
Exercise of stock options for Company shares	7	-44	40	-	-	3	-	3
Issue of new shares as part of the stock plan	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-
Valuation of stock options under IFRS 2	-	40	-	-	-	40	-	40
Issue and conversion of bonds convertible to shares	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	515	515	-	515
Other comprehensive income for the period	-	-	-	1 549	-	1 549	-	1 549
At the end of the period 31.12.2025	**1 755**	**183**	**30 925**	**1 911**	**-25 084**	**9 690**	**-**	**9 690**

Interim consolidated statement of changes in equity (amounts in USD thousand)	Share capital	Capital from revaluation of options	Share premium account	Other capital	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling interest	Total equity
At the beginning of the period 01.01.2025	**1 748**	**187**	**30 885**	**362**	**-25 599**	**7 583**	**-**	**7 583**
Exercise of stock options for Company shares	6	-23	18	-	-	1	-	1
Issue of new shares as part of the stock plan	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-
Valuation of stock options under IFRS 2	-	27	-	-	-	27	-	27
Issue and conversion of bonds convertible to shares	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	499	499		499
Other comprehensive income for the period	-	-	-	1 483	-	1 483	-	1 483
At the end of the period 30.06.2025	**1 754**	**191**	**30 903**	**1 845**	**-25 100**	**9 593**	**-**	**9 593**

Interim consolidated cash flow statement

(amounts in USD thousand)	Note no.	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025
Profit (loss) before tax		**-127**	**534**
Adjustments for:			
Depreciation and amortization	**26**	1 214	1 076
Foreign exchange gains (losses)		10	-20
Interest		115	89
Profit (loss) from investing activities		-	-7
Movement in provisions		-27	31
Movement in inventory		-	-2
Movement in receivables		-220	-582
Movement in current liabilities, except for loans and borrowings		-39	-67
Tax paid		-	-
Movement in prepayments and accruals		-55	15
Other adjustments resulting from operating activity	**11.1**	13	27
Net cash from operating activities		**884**	**1 094**
Disposal of intangible assets and property, plant and equipment		-	7
Purchase of property, plant and equipment	**3.2**	4	7
Expenditures incurred for development work and purchase of intangible assets	**1.2**	1 168	1 198
Net cash from investing activities		**-1 172**	**-1 198**
Net proceeds from issuing shares		-	1
Loans and borrowings drawn		-	-
Proceeds from the issue of debt securities		570	-
Repayment of loans and borrowings		-	-
Repayment of lease liabilities		33	10

Interest paid	15	-
Net cash from financing activities	**522**	**-9**
Net cash flows	**234**	**-113**
Movement in cash	**234**	**-113**
Movement in cash on account of foreign exchange differences	-	-
Cash at the beginning of the period	**729**	**277**
Cash at the end of the period	**963**	**164**

Explanatory notes to the interim condensed consolidated financial statements

Basis for preparation and accounting policies

Basis for preparation of the interim consolidated financial statements

These interim condensed consolidated financial statements of the Group have been prepared in accordance with the historical cost principle, except for financial assets measured at fair value through financial result or other comprehensive income, financial assets measured at amortized cost, financial liabilities measured at fair value, and financial assets measured at amortized cost.

These interim condensed consolidated financial statements of the Group cover the period of 6 months ended on 30 June 2026 and have been prepared in accordance with IAS 34 "Interim Financial Reporting".

For a more complete understanding of the Group's financial and property situation, the interim consolidated statement of financial position prepared as at 30 June 2025 and the consolidated statement of changes in equity for 2025 were additionally included to provide data for comparable periods, despite the lack of such requirements in IAS 34.

The interim condensed consolidated financial statements do not contain all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS.

These interim condensed consolidated financial statements should be read together with the Group's consolidated financial statements for 2025 which were made public on 14 April 2026.

Changes in standards or interpretations introduced in 2026

Published Standards and Interpretations that have been issued and are effective for annual periods beginning on 1 January 2026:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding the classification and measurement of financial instruments - Amendments to IFRS 9 introduce a choice of accounting principle regarding the moment of extinguishment of the obligation in the case when payment is made via an electronic payment system (if certain conditions are met).

  Amendments to IFRS 9 regarding the SPPI test provide guidance to help assess whether cash flows resulting from a contract are consistent with a basic lending arrangement. In addition, the amendments introduce a clearer definition of the non-recourse feature.

  The amendments to IFRS 9 also provide additional guidance on the characteristics of contractually linked instruments.

- The amendments to IFRS 7 add new disclosure requirements:
  - for investments in equity instruments designated as measured at fair value through other comprehensive income,
  - for each class of financial assets measured at amortized cost or at fair value through other comprehensive income, and for financial liabilities measured at amortized cost.
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding PPAs (Contracts Referencing Nature-dependent Electricity) - Amendments to IFRS 9 include information on which PPA contracts can be used for hedge accounting and what specific terms are permitted in such hedging relationships.

The amendments to IFRS 7 introduce new disclosure requirements for PPAs as defined in the amendments to IFRS 9.

- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7.

  Amendments of a purely editorial nature under the Annual Improvements cycle, effective for annual periods beginning on or after 1 January 2026, which had no impact on the Group's financial statements.

Application of a standard or interpretation before its effective date

New standards, amendments, and interpretations that have not been adopted in the current year will not have a significant impact on the Group's consolidated financial statements, with the exception of IFRS 18 "Presentation and Disclosure in Financial Statements" which becomes effective on 1 January 2027.

Description of adopted accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies as the annual consolidated financial statements of the Silvair, Inc. Group for the year 2025.

Translation of items in foreign currencies

Transactions captured in the ledgers of the Parent Company Silvair, Inc. denominated in currencies other than USD are translated into US dollars at the rate effective on the transaction date. As at the balance sheet date, monetary assets and liabilities expressed in currencies other than USD are translated into US dollars using the average exchange rate for such a currency in effect at the end of the reporting period.

The functional currency of the subsidiary is PLN. As at the balance sheet date, assets and liabilities of this foreign subsidiary are translated into the Group's presentation currency using the exchange rate in effect on the balance sheet date, and their statements of comprehensive income are translated at the average exchange rates for the financial period.

The translation method is described in the section "Functional and presentation currency".

The Group has adopted the following PLN/USD exchange rates for the purposes of balance sheet measurement:

	30 June 2026	31 December 2025	30 June 2025
PLN/USD	0,2652	0,2777	0,2765

Average PLN/USD exchange rates for individual financial periods were as follows:

	01.01.2026 - 30.06.2026	01.01.2025 - 31.12.2025	01.01.2025 - 30.06.2025
PLN/USD	0,2738	0,2666	0,2607

Uncertainty of estimates

In preparation of the interim condensed consolidated financial statements, the Parent Company's Board uses its judgment in making numerous estimates and assumptions that affect the adopted accounting policies and the presented values of assets, liabilities, revenues and costs. Although the adopted assumptions and estimates rely on the best knowledge of the Company's management on current actions and events, the actual results may differ from the expectations.

As regards the development works conducted by the Issuer, two key assumptions have been identified for which there is a significant risk of material adjustments of the carrying amounts of the Group's assets:

- Commercial success of the products and services depends on the pace and scale of dissemination and commercial implementation of the Bluetooth Mesh standard.
- The pursuit of the Group's strategy depends on the success of its development works and effective commercialization of subsequent products developed on their basis.

Since the above assumptions pertain to a longer time horizon, in the Issuer's assessment, they do not have any significant impact on the risk of major adjustments of the carrying amounts of the Group's assets during the next financial year. The uncertainty of estimates is also burdened with the risk of not fully known consequences of the geopolitical and macroeconomic developments in the world.

Subjective assessments and judgments

Relevant explanatory notes present the main areas in which, in the process of application of accounting principles (policy), in addition to accounting estimates, an important role was played also by the management's professional judgment, and for which a change of the estimates may have significant impact on the Group's financial data presented in such notes in the future. The judgments concerned the following:

- impairment of expenditures for development work (see Note 1.1 and 1.3)
- impairment of other intangible assets (see Note 2.1)
- impairment of property, plant and equipment (see Note 3.1)
- impairment losses (see Note 1.1, 1.3, 5, 6, and 7)
- revenues from contracts with customers (see Note 22.1)
- provisions (see Note 20.3)
- duration of lease contracts (see Note 18.1)
- share-based payment agreements (see Note 30)

In the reporting period, no changes were made in the methods used to make estimations, compared to 2025.

Seasonality of business

The Group's business is not seasonal.

Business combinations and loss of control

In the first 6 months of 2026 there were no business combinations or loss of control in the Group.

Additional notes and explanations to the condensed interim consolidated financial statements

Note 1.1 Costs of development work

Costs of development work (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Completed development work	11 902	13 624	12 012
Development work not yet completed	1 168	-	1 387
Total	**13 070**	**13 624**	**13 399**

In the period from 1 January to 30 June 2026, the Group's capitalized costs of development work amounted to USD 1,168 thousand, of which: USD 805 thousand – Silvair Platform, USD 279 thousand - Silvair Mesh Stack, USD 84 thousand - Bluetooth Mesh Protocol.

Due to the specificity of its activity, the Issuer has singled out and currently executes 3 interrelated development projects, whose total value is a major part of the development work assets:

Bluetooth Mesh protocol:

The aim of the project is to prepare and develop a wireless communication protocol in the mesh topology based on the Bluetooth technology The project is executed in cooperation with other partners in the task force appointed by the Bluetooth Special Interest Group, aiming to prepare the specification and develop the Bluetooth Mesh standard. The project has been developed since 2014 and is of open nature, i.e. individual protocol development work stages are closed (i.e. accepted for use) together with publication of subsequent versions of the Bluetooth Mesh standard. The first stage of the development work under the project was closed in 2017 with publication of the new standard. Subsequent stages of work are completed with the publication of subsequent versions of the Bluetooth Mesh protocol specification. The expenditures incurred in the reporting period from 1 January to 30 June 2026 for development of the next project stage increased the value of development work not yet completed.

Silvair Mesh Stack:

The aim of the project is to develop a firmware stack for electronic devices (in particular for electronic lighting components) on the basis of a standardized communication protocol Bluetooth Mesh. The project has been developed since 2015, in parallel with the work on the Bluetooth Mesh protocol, and is of open nature, i.e. individual development work stages are closed (i.e. accepted for use) along with publication of subsequent commercial versions of the software. The first stage of development work was completed in 2017, one day after the publication of the standard, along with the qualification, by the Bluetooth SIG, of the implementation of software released by the Issuer, i.e. the firmware stack (the so-called Mesh Core) and the application layer (the so-called Model Mesh Core). The completion of subsequent stages of work takes place when the Issuer releases subsequent commercial versions of the firmware (Silvair Firmware). In the reporting period, the expenditures incurred for development of the next project stage increased the value of development work not yet completed.

Silvair Platform:

The aim of the project is to develop a technology and service platform, comprising digital tools for launch, configuration and management of smart lighting networks, and an infrastructure that allows the Company to provide innovative services. The project has been developed since 2015, in parallel with the work on the Bluetooth Mesh protocol and the Silvair Mesh Stack, and is of open nature, i.e. individual development work stages are closed (i.e. accepted for use) along with delivery of subsequent commercial versions of digital tools and expansion of the scope of services provided by the Issuer. The first stage of development work was completed at the end of 2018 along with the Issuer releasing the commercial version of digital tools (the so-called Commissioning Tool). Subsequent stages of work are completed when the Issuer releases subsequent commercial versions of the software (Silvair Platform). The expenditures incurred in the reporting period for development of the next project stage increased the value of development work not yet completed.

In the reporting period, the Issuer did not incur any research expenditure.

Amortization of costs of development work (amounts in USD thousand)	30.06.2026	30.06.2025
Completed development work	1 172	1 039
Development work not yet completed	-	-
Total	**1 172**	**1 039**

Amortization of completed development works is charged to the cost of sales.

Estimates:

As at each balance sheet date, the Group analyzes whether or not objective grounds exist that might imply an impairment of expenditures on development work.

Due to the specific nature of the business, which covers comprehensive development and implementation of innovative technology, the Issuer conducts tests for impairment in relation to a set of assets which are collectively referred to as cash generating units. When conducting tests for the impairment of unfinished and completed development works, the Issuer is guided by two major factors, i.e.:

- Pace of adoption, scale of dissemination and commercial implementation of the Bluetooth Mesh standard. The Issuer carries out, among others, observations to assess the current behavior of market participants, analyzes market trends, participates in industry events, monitors market activity with regard to implementations of technology based on the Bluetooth Mesh standard, tracks the involvement of new entities in the work of the Bluetooth SIG's working group, and observes the behavior of competitors.
- The scale of market interest in the products and services offered by the Group. In this respect, the Issuer assesses the dynamics of the process of acquiring and contracting partners and customers, as well as the dynamics and scale of sales of the Group's products covered by these contracts.

The Issuer has also assessed the following:

- technical feasibility of completing an intangible asset,
- intention to complete, use or sell an asset,
- ability to use or sell an asset,
- how an asset will generate future economic benefits,
- availability of sufficient resources to complete development works or sell an asset,
- ability to reliably measure the expenditures incurred on an asset during its development.

Amortization is recognized, in principle, using the straight-line method for the estimated useful life of the given asset.

The adopted 10-year amortization period is justified by the innovative nature of the developed technology and its market potential, backed up by the global Bluetooth Mesh standard. The amortization period has been estimated taking into account the useful life of the technology and the possibility of deriving benefits from individual development works. Information on the performed tests and their results is presented in Note 1.3. Results of tests for impairment of development costs.

At least once a year, the Group revises the assumed periods of useful life based on its current estimates. The verification did not reveal the necessity to adjust the adopted periods.

Note 1.2 Movement in costs of development work

Costs of development work (*) (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 31.12.2025	01.01.2025 - 30.06.2025
Gross value at the beginning of the period	**23 911**	**19 949**	**19 949**
Additions, including:	1 168	3 962	2 703
Expenditures incurred	1 168	2 425	1 198
Foreign exchange differences from measurement in presentation currency	-	1 537	1 505
Reductions, including:	575	-	-
Liquidation and sale	-	-	-
Foreign exchange differences from measurement in presentation currency	575	-	-
Gross value at the end of the period	**24 504**	**23 911**	**22 652**
Accumulated depreciation at the beginning of the period	**10 246**	**8 117**	**8 117**
Additions	1 172	2 129	1 039
Reductions	-	-	-
Accumulated depreciation at the end of the period	**11 418**	**10 246**	**9 156**
Impairment losses at the beginning of the period	**41**	**150**	**150**
Additions	-	-	-
Reductions	25	109	53
Impairment losses at the end of the period	**16**	**41**	**97**
Net value at the beginning of the period	**13 624**	**11 682**	**11 682**
Net value at the end of the period	**13 070**	**13 624**	**13 399**

(*) *balance sheet measurement of the costs of development work, calculated by translating the carrying amount to the presentation currency, i.e. the functional currency of the Parent Company, is presented in the table above in additions or reductions of the gross value.*

Note 1.3 Results of impairment tests for the costs of development work

Cash generating unit (amounts in USD thousand)	The value of development work as at 30.06.2026	Recoverable amount
Bluetooth Mesh Protocol and Silvair Mesh Stack	5 194	27 281
Silvair Platform and Multi ALS	7 876	66 293
Total	**13 070**	**93 574**

The recoverable amount has been determined on the basis of the value in use of the assets, understood as the present estimated value of future cash flows which are expected to be achieved due to further use of the cash generating unit.

The impairment tests were updated with the following assumptions:

- The test is prepared on the basis of an internal financial forecast of the Silvair Group for 2026-2035 (Forecast) based on the discounted cash flow method.
- Due to the innovative nature of the commercialized technology, a 10-year projection period has been adopted.
- The execution of development work has multiple stages, i.e. individual development work stages are closed upon release of the next software versions and/or launch of the next service or package of digital services.
- The development work expenditures in individual projection years comprises: initial carrying amount, direct expenditures (personnel and non-personnel) on continuation of individual work stages, indirect expenditures and other expenditures of the Group which are aimed to contribute to earning revenues from the tested assets.
- The initial carrying amount comprises all expenditures incurred both for development works completed and not yet completed included in the cash generating unit.
- To determine the discount rate, the weighted average cost of capital was used. The WACC value calculated for the needs of the Test was: 16.36%.

The financial forecast has been prepared on the basis of the following assumptions:

- The market size and potential have been estimated on the basis of market reports, including, among others: "Intelligent Lighting Controls" prepared by Navigant Research and "Smart Lighting Market" prepared by Markets&Markets.
- The business model has been verified with the partners and confirmed by already concluded contracts.
- It has been assumed that the in the projection period the Group will reach the stage of business maturity.
- The pace and scale of acquisition of new customers have been based on historical data on the contracted clients and the scaling of the sales team, taking into account an appropriate cost relation.

As a result of the tests performed, a need to recognize additional impairment losses on costs of development work, as compared to the state as at 31 December 2025, was not identified.

Note 2.1 Other intangible assets (computer software)

Other intangible assets (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Other intangible assets (computer software)	26	30	34
Total	**26**	**30**	**34**

Estimates:

As at each balance sheet date, the Group analyzes whether or not objective grounds exist that might imply an impairment of computer software value.

Amortization is recognized, in principle, using the straight-line method for the estimated useful life of the given asset.

The amortization rates are determined on the basis of the anticipated useful life of computer software.

At least once a year, the Group revises the assumed periods of useful life, based on its current estimates.

Note 2.2 Movement in other intangible assets – computer software

Computer software (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 31.12.2025	01.01.2025 - 30.06.2025
Gross value at the beginning of the period	**656**	**645**	**645**
Additions	-	11*	-
Reductions	-	-	-
Gross value at the end of the period	**656**	**656**	**645**
Accumulated depreciation at the beginning of the period	**626**	**608**	**608**
Additions	4	18	3
Reductions	-	-	-
Accumulated depreciation at the end of the period	**630**	**626**	**611**
Net value at the beginning of the period	**30**	**37**	**37**
Net value at the end of the period	**26**	**30**	**34**

** Exchange rate differences from measurement in presentation currency*

The Group has no computer software used under lease agreements.

The Group has no computer software with restricted use rights.

The Group has no bank loans that would be secured with intangible assets such as computer software.

As at 30 June 2026 and 31 December 2025, there were no contractual obligations related to the purchase of computer software.

Note 2.3 Ownership structure of other intangible assets

Intangible assets (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Owned	26	30	34
Third party	-	-	-
Total	**26**	**30**	**34**

Note 3.1 Property, plant and equipment

Property, plant and equipment (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Fixed assets, including:	2	5	8
Land	-	-	-
Buildings and structures	-	-	-
Plant and machinery	2	5	8
Means of transport	-	-	-
Other fixed assets	-	-	-
Fixed assets under construction	-	-	-
Total	**2**	**5**	**8**

Information about fixed assets used on the basis of lease agreements is presented in Note 3.7.

The Group has no land in perpetual usufruct.

The Group has no property, plant and equipment with restricted property and use rights.

The depreciation expenses for fixed assets are charged to general and administrative expenses.

As at 30 June 2026 and 31 December 2025, there were no contractual obligations related to the purchase of property, plant and equipment.

As at 30 June 2026 and 31 December 2025, there were no liabilities to the state budget or local government units related to the acquisition of ownership titles to buildings or structures.

Estimates:

As at each balance sheet date, the Group analyzes whether or not objective grounds exist that might imply an impairment of the given property, plant and equipment component.

Amortization is recognized, in principle, using the straight-line method for the estimated useful life of the given asset.

The amortization rates are determined on the basis of the anticipated useful life of property, plant and equipment components.

At least once a year, the Group verifies the assumed periods of useful life, based on its current estimates.

Note 3.2 Movement in property, plant and equipment, by type

Item (amounts in USD thousand)	Own land	Buildings and structures	Plant and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as at 01.01.2026	**-**	**13**	**164**	**-**	**33**	**-**	**210**
Additions, including:	-	-	4	-	-	-	4
Acquisition	-	-	4	-	-	-	4
Foreign exchange differences from measurement in presentation currency	-	-	-	-	-	-	-
Reductions, including:	-	-	-	-	-	-	-
Liquidation and sale	-	-	-	-	-	-	-
Foreign exchange differences from measurement in presentation currency	-	-	-	-	-	-	-
Gross value as at 30.06.2026	**-**	**13**	**168**	**-**	**33**	**-**	**214**
Accumulated depreciation as at 01.01.2026	**-**	**13**	**159**	**-**	**33**	**-**	**205**
Additions	-	-	7	-	-	-	7
Reductions	-	-	-	-	-	-	-
Accumulated depreciation as at 30.06.2026	**-**	**13**	**166**	**-**	**33**	**-**	**212**
Net value as at 01.01.2026	**-**	**-**	**5**	**-**	**-**	**-**	**5**
Net value as at 30.06.2026	**-**	**-**	**2**	**-**	**-**	**-**	**2**

Item (amounts in USD thousand)	Own land	Buildings and structures	Plant and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as at 01.01.2025	**-**	**22**	**263**	**-**	**33**	**-**	**318**
Additions, including:	-	-	18	-	-	-	18
Acquisition	-	-	17	-	-	-	17
Foreign exchange differences from measurement in presentation currency	-	-	1	-	-	-	1
Reductions, including:	-	9	117	-	-	-	126
Liquidation and sale	-	9	117	-	-	-	126
Foreign exchange differences from measurement in presentation currency	-	-	-	-	-	-	-
Gross value as at 31.12.2025	**-**	**13**	**164**	**-**	**33**	**-**	**210**
Accumulated depreciation as at 01.01.2025	**-**	**22**	**252**	**-**	**33**	**-**	**307**
Additions	-	-	24	-	-	-	24
Reductions	-	9	117	-	-	-	126
Accumulated depreciation as at 31.12.2025	**-**	**13**	**159**	**-**	**33**	**-**	**205**
Net value as at 01.01.2025	**-**	**-**	**11**	**-**	**-**	**-**	**11**
Net value as at 31.12.2025	**-**	**-**	**5**	**-**	**-**	**-**	**5**

Item (amounts in USD thousand)	Own land	Buildings and structures	Plant and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as at 01.01.2025	**-**	**22**	**263**	**-**	**33**	**-**	**318**
Additions, including:	-	-	8	-	-	-	8
Acquisition	-	-	7	-	-	-	7
Foreign exchange differences from measurement in presentation currency	-	-	1	-	-	-	1
Reductions, including:	-	-	20	-	-	-	20
Liquidation and sale	-	-	20	-	-	-	20
Foreign exchange differences from measurement in presentation currency	-	-	-	-	-	-	-
Gross value as at 30.06.2025	**-**	**22**	**251**	**-**	**33**	**-**	**306**
Accumulated depreciation as at 01.01.2025	**-**	**22**	**252**	**-**	**33**	**-**	**307**
Additions	-	-	11	-	-	-	11
Reductions	-	-	20	-	-	-	20
Accumulated depreciation as at 30.06.2025	**-**	**22**	**243**	**-**	**33**	**-**	**298**
Net value as at 01.01.2025	**-**	**-**	**11**	**-**	**-**	**-**	**11**
Net value as at 30.06.2025	**-**	**-**	**8**	**-**	**-**	**-**	**8**

Note 3.3 Ownership structure of property, plant and equipment

Property, plant and equipment (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Owned	2	5	8
Third party	-	-	-
Total	**2**	**5**	**8**

Note 3.4 Value of fixed assets not depreciated by the Group, used under operating lease, rental and other similar agreements, and value of land in perpetual usufruct

There are no fixed assets in the Group used under lease, rental and other similar agreements that would not be depreciated or redeemed. The Group does not have perpetual usufruct of land.

Note 3.5 Production costs of fixed assets under construction and fixed assets for own use

In the period from 1 January to 30 June 2026 and in the comparable period of 2025, the Group did not incur costs for the production of fixed assets for its own use.

Note 3.6 Expenditures on non-financial non-current assets and on environmental protection, incurred last year and planned for the next year

Item (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 31.12.2025	01.01.2025 – 30.06.2025
Expenditures incurred on property, plant and equipment	4	18	7
Expenditures incurred on intangible assets	1 168	2 425	1 198
Total	**1 172**	**2 443**	**1 205**

The Group expects that expenditures (expenses) on intangible assets in 2026 will be maintained on the level of expenditures incurred in 2025. Within the scope of the adopted strategy, the Group's activities are focused on providing pro-environmental solutions, mainly in the field of reducing energy consumption. Outside the product area, in the period from 1 January to 30 June 2026 and in the comparable period of 2025, the Group did not incur any environmental protection expenditures. Outside the product area, the Group does not intend to make environmental protection expenditures in 2026.

Note 3.7 Right-of-use assets

As at 30 June 2026, 31 December 2025 and 30 June 2025, the subsidiary Silvair Sp. z o.o. was a party to a lease agreement for a property in Kraków at ul. Opolska. As at 30 June 2026, the Agreement was signed until 31 March 2030.

As at 30 June 2026 and as at 31 December 2025, the Company did not use the premises and incurred no expenses in this regard. As at 30 June 2025, Silvair Inc. was a party to a lease agreement for office space in Torrance, California, USA. The agreement was concluded for the period of 1 year from 1 August 2023, with an option to automatically extend its term if it is not terminated. As at the date of conclusion of the contract, the Board of Silvair Inc. decided that it intends to use the premises for at least 2 years, so the agreement was deemed to meet the criteria for recognizing the right-of-use assets.

Right-of-use assets (amounts in USD thousand)	**30.06.2026**	**31.12.2025**	**30.06.2025**
Real estate right-of-use assets	225	268	298
Other assets	-	-	-
Total	**225**	**268**	**298**

Item (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 31.12.2025	01.01.2025 – 30.06.2025
Gross value at the beginning of the period	**313**	**33**	**33**
Additions, including:	-	313	311
Acquisition	-	313	311
Internal relocation	-	-	-
Foreign exchange differences from measurement in presentation currency	-	-	-
Reductions, including:	12	33	-
Liquidation and sale	-	33	-
Revaluation (change of contract terms)	-	-	-
Foreign exchange differences from measurement in presentation currency	12	-	-
Gross value at the end of the period	**301**	**313**	**344**
Accumulated depreciation at the beginning of the period	**45**	**23**	**23**
Additions	31	55	23
Reductions, including:	-	33	-
Liquidation and sale	-	33	-
Foreign exchange differences from measurement in presentation currency	-	-	-
Accumulated depreciation at the end of the period	**76**	**45**	**46**
Net value at the beginning of the period	**268**	**10**	**10**
Net value at the end of the period	**225**	**268**	**298**

Since the entire right-of-use assets pertain to one category (lease of premises), the changes are presented without a category breakdown.

Note 4 Financial assets (long-term)

As at 30 June 2026, 31 December 2025 and 30 June 2025, the Group had no long-term financial assets.

Note 5 Deferred tax assets

Deferred tax assets (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Deferred tax assets at the beginning of the period, including:	**487**	**632**	**632**
through profit or loss	487	632	632
through equity	-	-	-
Additions	**-**	**-**	**-**
through profit or loss	-	-	-
through equity	-	-	-
Reductions	**97**	**145**	**36**
through profit or loss	97	145	36
through equity	-	-	-
Deferred tax assets at the end of the period, including:	**390**	**487**	**596**
through profit or loss	**390**	487	**596**
through equity	-	-	-

Deferred tax assets arising from temporary differences resulting from: (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Accumulated tax losses to be used	2 445	2 562	4 257
Impairment losses on deferred tax assetsup to the amount of tax losses available for use in the future (calculation based on the financial budget)	-	-	-
Used tax losses from previous years	-394	-	-1 120
Total	**2 051**	**2 562**	**3 137**
Deferred tax assets (19%)	**390**	**487**	**596**

Deferred tax assets are treated in entirety as non-current assets and are not subject to discounting.

Deferred tax assets are calculated using tax rates that are expected to be effective at the time of realization of particular asset or release of provisions, based on tax rates (and tax legislation) enacted or substantively enacted at the balance sheet date.

Estimates:

The Group evaluates, as at each balance sheet date, the possibility of realization of the deferred tax asset. This assessment requires a professional judgment and estimates regarding, among others, future tax results. The conducted analysis of the expected tax revenues showed a decrease in the tax asset due to the partial use of the loss from 2021 in the current tax settlement.

The recognized deferred tax assets cover losses from 2021-2023. The adopted assumptions regarding the likelihood of the Group's realization of revenues in the following years justify maintaining the asset at the presented level.

Regulations regarding corporate income tax are subject to frequent changes, as a result of which there is often no reference to well-established line of rulings. Applicable regulations are not always unambiguous, which additionally leads to differences in their interpretation. Tax settlements are subject to audits by tax authorities. If irregularities are identified in the tax settlements, the taxpayer is obligated to pay the overdue amount together with the statutory interest due. Payment of overdue liabilities does not always release the taxpayer from criminal tax liability.

As a result of the aforementioned phenomena, tax settlements are burdened with risk. Tax settlements may be subject to audit within a period of five years from the end of the year in which the tax returns were submitted. As a result, the amounts reported in the financial statements, and thus the basis for calculation of the asset on tax losses and the asset itself may change at a later date after their final determination by the tax authorities.

Note 6 Inventory

Inventory (amounts in USD thousand)	**30.06.2026**	**31.12.2025**	**30.06.2025**
Goods for resale	25	26	16
Impairment loss on merchandise	-11	-12	-12
Total	**14**	**14**	**4**

Inventory releases are recognized using the detailed identification method. As at each balance sheet date, the Company analyzes whether the carrying amount of inventory is higher than or equal to the realizable sales price. Impairment losses on the inventory are recognized in operating expenses. As at 30 June 2026, the level of the impariment loss remained similar to the level from 31 December 2025, adjusted for the value of goods covered by the write-off that were sold, as well as for differences in the USD/PLN exchange rate.

Note 7 Trade receivables and other receivables

Trade receivables and other receivables (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
From related entities	-	-	-
From other entities	1 069	867	1 330
Impairment losses	-6	-7	-19
Total	**1 063**	**860**	**1 311**

Note 7.1 Trade receivables

Trade receivables (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
From related entities	-	-	-
From other entities	882	685	1 186
Impairment losses	-6	-7	-19
Total	**876**	**678**	**1 167**

Note 7.2 Impairment losses on trade receivables

As at 30 June 2026, impairment losses on trade receivables amounted to USD 6 thousand. As at 31 December 2025, impairment losses on trade receivables amounted to USD 7 thousand. The change of the impairment loss results from measurement of the receivable subject to the impairment loss and the write-off for expected losses.

Estimates:

To estimate the impairment losses on trade receivables, the Group uses historical past due dates and the link between the arrears and the actual repayments over the last 3 years, adjusted for information regarding current and projected economic conditions. The applied model is presented in the section ”Description of adopted accounting policies” in the consolidated financial statements of the Group for 2025. The adopted method of estimating impairment losses is verified by the Group on the basis of data available in the following years. As at 30 June 2026, the analysis did not show the need to update the model used.

Note 8 Aging of trade receivables

Trade receivables (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Not overdue	796	565	842
Overdue, including:	80	113	325
Up to one month	77	84	203
Over 1 month to 3 months	5	12	87
Over 3 months to 6 months	-	21	53
Over 6 months to 1 year	2	3	1
Over 1 year	2	-	-
Impairment losses on receivables	-6	-7	-19
Trade receivables, including:	**876**	**678**	**1 167**
Overdue receivables (gross)	86	120	344

Note 9 Other receivables

Other receivables (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
On taxes and other public benefits	130	104	95
Other receivables	39	44	31
Prepayments and accruals	18	34	18
Impairment losses	-	-	-
Total	**187**	**182**	**144**

In accruals, the Group presents expenditures which pertain to future periods incurred up to the balance sheet date. Prepaid expenses as at 30 June 2026 and as at 30 June 2025 comprised mainly license fees and insurance policies which will be recognized in the profit and loss account over successive future periods. Prepaid expenses as at 31 December 2025 consisted primarily of prepayments for participation in trade fairs and conferences related to the presentation of the Group's activities, as well as license fees.

Note 10 Impairment losses on other receivables

As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, the Group did not recognize any impairment losses on other short-term receivables.

Note 11 Cash and cash equivalents

Cash and cash equivalents (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Cash on hand	1	1	1
Cash in bank	962	728	163
Total	**963**	**729**	**164**

Note 11.1 Explanation to selected items of the cash flow statement

The line item “Other adjustments resulting from operating activity” shows the value charged to the general and administrative expenses corresponding to the value of accrued option capital, taking into account the executed portion in the amount of USD 13 thousand. The difference between the item "Net proceeds from the issue of shares and additional capital contributions" and the Statement of Changes in Equity relates to the accrued (non-cash) value of the option capital.

Note 12 Share capital

Share capital of the Parent Company as at 30 June 2026

Type	Number of shares	Par value (USD '000s)	Share subscription price (USD '000s)	Share premium account (USD '000s)
Common Stock	16 587 405	1 659	30 795	29 136
Preferred Stock	960 000	96	125	29
Total	**17 547 405**	**1 755**	**30 920**	**29 165**

The par value of one share is USD 0.1. The number of shares expressed in single units.

Share capital ownership structure	Number of shares	% of shares	Number of votes [(1)]	% of votes
Rafał Han	2 031 965	11,58	3 663 965	16,40
Szymon Słupik	1 912 359	10,90	3 557 519	15,92
Krzysztof Januszkiewicz	2 692 059	15,34	2 692 059	12,05
Chris Morawski	2 622 730	14,95	2 622 730	11,74
Adam Gembala	1 018 760	5,81	2 145 520	9,60
Other shareholders holding less than 5% of shares	7 269 532	41,42	7 665 612	34,29
Total	**17 547 405**	**100,00**	**22 347 405**	**100,00**

([1]) Pursuant to the Certificate of Incorporation: (i) a holder of one Common Share holds one vote at the Shareholder Meeting; (ii) a holder of one Preferred Founder Share holds as many votes at the Shareholder Meeting as corresponds to the six-fold of the number of Common Shares that a share of the Founders Preferred Stock may be converted into pursuant to the Certificate of Incorporation.

In 2026 and in 2025, no redemption or repayment of non-equity and equity securities took place. As at 30 June 2026, out of 17,547,405 issued shares, 17,533,605 shares have been paid in full, while the number of unpaid shares was 13,800. As at 31 December 2025, out of 17,547,405 issued shares, 17,519,805 have been paid in full. As at 30 June 2025, out of 17,541,390 issued shares, 17,499,990 shares have been paid in full, and the number of unpaid shares was 41,400.

Share capital of the Parent Company as at 31 December 2025

Type	Number of shares	Par value (USD '000s)	Share subscription price (USD '000s)	Share premium account (USD '000s)
Common Stock	16 587 405	1 659	30 782	29 123
Preferred Stock	960 000	96	125	29
Total	**17 547 405**	**1 755**	**30 907**	**29 152**

Share capital ownership structure	Number of shares	% of shares	Number of votes	% of votes
Rafał Han	2 031 965	11,58	3 663 965	16,40
Szymon Słupik	1 912 359	10,90	3 557 519	15,92
Krzysztof Januszkiewicz	2 692 059	15,34	2 692 059	12,05
Chris Morawski	2 622 730	14,95	2 622 730	11,74
Adam Gembala	1 018 760	5,81	2 145 520	9,60
Other shareholders holding less than 5% of shares	7 269 532	41,42	7 665 612	34,29
Total	**17 547 405**	**100,00**	**22 347 405**	**100,00**

Share capital of the Parent Company as at 30 June 2025

Type	Number of shares	Par value (USD '000s)	Share subscription price (USD '000s)	Share premium account (USD '000s)
Common Stock	16 581 390	1 658	30 759	29 101
Preferred Stock	960 000	96	125	29
Total	**17 541 390**	**1 754**	**30 884**	**29 130**

Share capital ownership structure	Number of shares	% of shares	Number of votes	% of votes
Rafał Han	2 031 965	11,58	3 663 965	16,40
Szymon Słupik	1 912 359	10,90	3 557 519	15,92
Krzysztof Januszkiewicz	2 692 059	15,35	2 692 059	12,05
Chris Morawski	2 622 730	14,95	2 622 730	11,74
Adam Gembala	1 018 760	5,81	2 145 520	9,60
Other shareholders holding less than 5% of shares	7 263 517	41,41	7 659 597	34,29
Total	**17 541 390**	**100,00**	**22 341 390**	**100,00**

Note 13 Capital from revaluation of options

Capital from revaluation of options (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Valuation of stock options under IFRS 2	183	183	191
Total	**183**	**183**	**191**

See Note 30 for additional information on valuation of options.

Note 14.1 Share premium account

Share premium account (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Supplementary capital	30 938	30 925	30 903
Total	**30 938**	**30 925**	**30 903**

Note 14.2 Movement in the item Share premium account

Movement in other capital (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 – 31.12.2025	01.01.2025 - 30.06.2025
At the beginning of the period	**30 925**	**30 885**	**30 885**
Exercise of stock options for Company shares	13	40	18
Expenditures incurred in connection with the stock issue	-	-	-
Issue of new shares (IPO)	-	-	-
Unpaid capital which has been called up	-	-	-
Issue of bonds convertible to shares	-	-	-
At the end of the period	**30 938**	**30 925**	**30 903**

Note 14.3 Other capital

Other capital consists of two items reported separately in prior periods as:

- Minority interest transactions
- Capital from foreign exchange differences on translation of foreign operations

The appearance of the balance sheet item Minority interest transactions is a consequence of transactions occurring in 2018 and related to the issuance of bonds and their conversion into shares of the Parent Company in exchange for the right to shares in the subsidiary Sway. The event is described in detail in the annual consolidated statements for 2019.

As at 30 June 2026, the value of the item Minority interest transactions amounted to USD -365 thousand and was same as at 31 December 2025 and 30 June 2025.

Other capital (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Minority interest transactions	-365	-365	-365
Capital from foreign exchange differences on translation of foreign operations	1 666	2 276	2 210
Total	**1 301**	**1 911**	**1 845**

Note 15 Retained earnings

The balance sheet item Retained earnings is the sum of two items reported separately in prior years as:

- Retained earnings,
- Financial result of the current period.

Retained earnings (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Accumulated losses from previous years	-25 084	-25 599	-25 599
Financial result of the current period	-225	515	499
Total	**-25 309**	**-25 084**	**-25 100**

Note 16 Earnings (loss) per share

Earnings/(loss) per share are calculated by dividing the net profit/(loss) for the reporting period attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year. Diluted earnings/(loss) per share are calculated by dividing the net profit/(loss), adjusted for the impact of interest on potential common shares, for the reporting period, attributable to the shareholders of the parent company, by the weighted average number of common shares outstanding during the reporting period, adjusted for the effect of diluting options. Diluting options also include the allocation of Parent Company shares in the period from 1 January 2026 to the publication date.

Earnings/(loss) per share in the period covered by the financial statements (amounts in USD thousand)	**30.06.2026**	**31.12.2025**	**30.06.2025**
Weighted average number of parent company's shares in the period	17 547 405	17 527 575	17 509 045
Diluting options, including:	2 921 396	4 936 386	6 164 122
On account of the option plan	618 608	561 726	502 272
On account of bonds	2 302 788	4 374 660	5 661 850
Weighted average number of parent company's shares in the period after diluting options	20 468 801	22 463 961	23 673 167
Continued operations			
Earnings/(loss) per share (USD) – weighted average number of shares	-0,01	0,03	0,03
Diluted earnings/(loss) per share (USD)	-0,01	0,02	0,02
Discontinued operations			
Earnings/(loss) per share (USD) – weighted average number of shares	-	-	-
Diluted earnings/(loss) per share (USD)	-	-	-
Continued and discontinued operations			
Earnings/(loss) per share (USD) – weighted average number of shares	-0,01	0,03	0,03
Diluted earnings/(loss) per share (USD)	-0,01	0,02	0,02

Note 17 Deferred tax liabilities

Deferred tax liabilities (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Deferred tax liabilities at the beginning of the period	**-**	**4**	**4**
through profit or loss	-	4	4
through equity	-	-	-
Additions	-	-	-
through profit or loss	-	-	-
through equity	-	-	-
Reductions	**-**	**4**	**1**
through profit or loss	-	4	1
through equity	-	-	-
Deferred tax liabilities at the end of the period	**-**		**3**
through profit or loss	-	-	3
through equity	-	-	-

Deferred tax liabilities arising from temporary differences resulting from: (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Difference between the tax value and carrying amount of completed development work	-	-	16
Total	-	-	16
Deferred tax liabilities (19%)	**-**	**-**	**3**

Note 18.1 Lease liabilities

Lease liabilities (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Long-term	159	194	232
Short-term	64	74	72
Total	**223**	**268**	**304**

The lease liability pertains to real property lease agreements which, pursuant to IFRS 16, have been classified to lease liabilities. Information related to the agreements included in this item is presented in Note 3.7 Right-of-use assets. Valuation of liabilities does not comprise variable fees for consumption of utilities associated with the use of the real properties.

The repayment of the interest component during the reporting period amounted to USD 5 thousand.

In the Issuer's opinion, as at the publication date, in the future there will be no cash outflows to which the lessee would be exposed and which are not included in the valuation of lease liabilities. The agreements do not contain limitations or covenants imposed by the lessor.

Note 19.1 Trade liabilities

Trade liabilities (amounts in USD thousand)	**30.06.2026**	**31.12.2025**	**30.06.2025**
To related entities	-	-	-
To other entities	328	265	243
Total	**328**	**265**	**243**

Note 19.2 Aging of trade liabilities

Trade liabilities (amounts in USD thousand)	**30.06.2026**	**31.12.2025**	**30.06.2025**
Up to one month	328	263	242
Over 1 month to 3 months	-	-	-
Over 3 months to 6 months	-	-	-
Over 6 months to 1 year	-	-	-
Over 1 year	-	-	-
Overdue	-	2	1
Up to one month	-	1	1
Over 1 month to 3 months	-	-	-
Over 3 months to 6 months	-	-	-
Over 6 months to 1 year	-	1	-
Over 1 year	-	-	-
Total	**328**	**265**	**243**

Note 20.1 Other liabilities (current)

Other current liabilities (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
To related entities	-	-	-
To other entities, including:	225	282	312
On loans	-	-	-
On taxes and other public benefits	66	67	73
On payroll	61	62	59
Advance payments for deliveries	80	135	168
Other	18	18	12
Total	**225**	**282**	**312**

Note 20.1.1 Liabilities on bonds convertible to shares

Liabilities on bonds convertible to shares (non-current) (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Bonds convertible to shares	-	1 000	1 450
Interest on bonds convertible to shares	-	88	122
Total	**-**	**1 088**	**1 572**

Liabilities on bonds convertible to shares (current) (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Bonds convertible to shares	4 270	2 700	2 150
Interest on bonds convertible to shares	592	404	277
Total	**4 862**	**3 104**	**2 427**

Liabilities on bonds convertible to shares (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Par value of issued bonds	4 270	3 700	3 600
Interest costs	592	492	399
Interest paid	-	-	-
Total	**4 862**	**4 192**	**3 999**

Liabilities on bonds convertible to shares (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 31.12.2025	01.01.2025 – 30.06.2025
At the beginning of the period	4 192	3 910	3 910
Additions	670	282	89
Reductions	-	-	-
Total	**4 862**	**4 192**	**3 999**

On 9 June 2022, the Board of Directors adopted a resolution approving incurring liabilities up to a total par value of USD 3.0 million in the form of an issue of debt securities with a fixed interest rate convertible to ordinary shares of the new issue of the Company (Convertible Promissory Notes; "Convertible Securities"). As part of this issue, the Company has issued Convertible Securities with a total value of USD 1.25 million.

On 7 February 2023, the Board of Directors adopted a resolution approving the incurring of liabilities up to the total nominal value of USD 5.0 million in the form of a new issue of Convertible Securities. Adoption of a new issue of Convertible Securities results with the completion of the previous issue, despite the incomplete use of the previously adopted limit. As part of the new issue of Convertible Securities, until the date of publication of this report, the Company has issued Convertible Securities for the total amount of USD 3.02 million.

Under the aforementioned issuances of Convertible Securities, until the date of publication of this report, the Company has issued Convertible Securities for a total amount of USD 4.27 million.

As a result of the assessment it has been concluded that the bonds do not contain an equity element and have not been classified as compound financial instruments in accordance with IAS 32. Therefore they were fully recognized as liabilities measured at amortized cost. On 26 February 2025, the Company signed annexes to the purchase agreements with bondholders extending the maximum conversion period by one year compared to the original term.

Note 20.2 Contingent liabilities, including guarantees and sureties extended by the Group, including promissory notes

As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, the Group had no other contingent liabilities. As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, the Group's companies were not acting as guarantors or sureties and also had not drawn their own or received third party promissory notes as collateral or payment for a transaction.

Note 20.3 Other short-term provisions

Other short-term provisions (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 31.12.2025	01.01.2025 – 30.06.2025
Provisions for unused vacation time	68	52	63
Provisions for bonuses	-	41	-
Provisions for disputes	88	90	86
Total	**156**	**183**	**149**

The Group recognizes a provision for unused vacation time, which pertains to periods preceding the balance sheet date and will be used in the future for all Company employees, because in the Polish system unused vacation time constitutes cumulative paid absences (the entitlement to such absences passes on to future periods and can be used if it has not been used in the current period). The amount of the provision depends on the average monthly salary and the number of unused days of vacation time to which the employee is entitled as at the balance sheet date. The Company recognizes the costs of unused vacation time on the accrual basis, based on the estimate values, and presents them in the profit and loss account in the payroll line item (in accordance with the place where they occur). The provision for unused vacation time is a short-term provision and is not subject to discounting.

Provisions for unused vacation time (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
At the beginning of the period	**52**	**45**	**45**
Additions	19	16	25
Reductions	3	9	7
At the end of the period	**68**	**52**	**63**

The Group estimates the amount of the provisions on the basis of adopted assumptions and methodology, assessing the probability of spending the funds comprising economic benefits, and classifies amounts with a high probability of spending, as at the balance sheet, as liabilities. The estimates pertaining to the value of provisions for unused vacation time were based on the data on the number of vacation time days unused by employees, the value of the average compensation individually for each employee divided by the average number of business days per month (22 days), and the charges on compensations charged to the employer. In 2025-2026, the percentage rate of social security charged to the employer was adopted at the level of 20.98%, taking into account the contributions to PPK (Employee Capital Plan).

In 2023, the Group created a provision in connection with the results of the NCBiR (National Centre for Research and Development) inspection regarding co-financing of the project POIR.01.03.01-00-0067/17 implemented by Sway Sp. z o. o. as part of ASI Bridge Alfa Bitspiration Booster Sp. z o. o. S.K.A. According to the auditors, part of the project expenses were incurred by Sway contrary to the provisions of the Support Agreement (NCBiR letter of 8 August 2023). The amount of the provision created is PLN 329,488.32 (USD

88 thousand). The change in the provision amount results from an increase in potential interest payable due to the passage of time between the date of receipt of the grant and the balance sheet date. The company does not agree with the position of NCBiR and therefore appealed against the decision to return the funds. As of the date of publication, no new information has been received on this matter.

In 2026, the Group did not make any other provisions under new items. As at 31 December 2025, the Group had created a provision for performance bonuses for the Sales and Product department for exceeding the established revenue threshold specified in the Silvair Group Forecast for 2025. The provision amount was estimated at USD 41 thousand. Bonus payments for 2025 were made alongside the payment of salaries for March 2026.

Note 20.4 Liabilities from contracts with customers

Liabilities from contracts with customers (amounts in USD thousand)	01.01.2026	Additions	Reductions	30.06.2026
Maintenance services for Silvair Platform	683	304	273	714
Maintenance services for Silvair Mesh Stack	7	-	6	1
Total	**690**	**304**	**279**	**715**

Liabilities from contracts with customers (amounts in USD thousand)	01.01.2025	Additions	Reductions	31.12.2025
Maintenance services for Silvair Platform	546	605	468	683
Maintenance services for Silvair Mesh Stack	7	13	13	7
Total	**553**	**618**	**481**	**690**

Liabilities from contracts with customers (amounts in USD thousand)	01.01.2025	Additions	Reductions	30.06.2025
Maintenance services for Silvair Platform	546	393	227	712
Maintenance services for Silvair Mesh Stack	7	2	7	2
Total	553	**395**	**234**	**714**

As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, the Group identified liabilities associated with maintenance agreements according to the description in section Operating Revenues in the Explanatory note to the financial statements and Note 23. The payment terms specified in the agreements do not exceed 60 days. Elements such as obligations to accept returns, make refunds and other similar obligations, as well as warranties and related obligations, do not apply to liabilities from contracts with customers. The Group settles the identified performance obligations using the straight-line method, spread evenly over time, as the activities are performed evenly throughout the entire period of performance.

Liabilities from contracts with customers by maturity:

Maturity periods (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Up to one month	37	33	34
Over 1 month to 3 months	103	94	93
Over 3 months to 6 months	93	76	82
Over 6 months to 1 year	133	104	110
Over 1 year to 3 years	329	316	293
Over 3 to 5 years	20	67	102
Total	**715**	**690**	**714**

Note 21 Prepayments and accruals

Prepayments and accruals (amounts in USD thousand)	01.01.2026	Additions	Reductions	30.06.2026
Financing under the Smart Growth Operational Program	311	-	32	279
NCBiR subsidy for fixed assets	136	-	39	97
Total	**447**	**-**	**71**	**376**

Prepayments and accruals (amounts in USD thousand)	01.01.2025	Additions*	Reductions	31.12.2025
Financing under the Smart Growth Operational Program	308	40	37	311
NCBiR subsidy for fixed assets	178	23	65	136
Total	**486**	**63**	**102**	**447**

** The change results from the exchange rate translation*

Prepayments and accruals (amounts in USD thousand)	01.01.2025	Additions*	Reductions	30.06.2025
Financing under the Smart Growth Operational Program	308	39	18	329
NCBiR subsidy for fixed assets	178	22	32	168
Total	**486**	**61**	**50**	**497**

** The change results from the exchange rate translation*

Prepayments and accruals (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Non-current part	274	340	391
Current part	102	107	106
Total	**376**	**447**	**497**

Note 22.1 Sales revenues

Sales revenues (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025	01.04.2026 - 30.06.2026*	01.04.2025 - 30.06.2025*
Revenues from sales of products	1 789	2 130	1 208	1 218
Revenues from sales of goods and services	293	244	141	123
Total	**2 082**	**2 374**	**1 349**	**1 341**

** Unaudited data*

In 2019, the Group for the first time recorded revenues from sales of products and services which are to become the main source of revenues. These are revenues from contracts with customers:

- Commissioning Service Agreement (CSA), consisting in delivery of a web application and a mobile application for activation and control of lighting management software.
- Supply, License and Service Agreement (SLS), where, on the basis of a license agreement, the Group delivers firmware for wireless lighting control, hardware for firmware implementation, and software service and maintenance.

Under **Commissioning Service Agreements (CSA)**, the Group delivers, maintains and operates applications for activation and control of the lighting management software for and on behalf of the Partner. Under these services it is also possible to provide the Silvair platform for lighting installations that are not based on the firmware developed by Silvair.

Revenues under CSA agreements are included in the Lighting Control segment.

Under **Supply, License and Service Agreement (SLS)**:

- A product in the form of firmware for wireless lighting control is delivered. The firmware is downloaded from the cloud via the Internet and installed on components manufactured by the Partner. The firmware is delivered on the basis of a license.
- In addition, Silvair MaTE hardware is delivered that enables installation of the firmware. The hardware is connected on the production line to the Partner's computer (making it possible to download firmware activation keys and install the firmware from the cloud in the Partner's components).
- Software service and maintenance is guaranteed.

Revenues under SLS contracts are included in the Lighting Control segment.

Breakdown of revenues from contracts with customers:

Contract type				01.01.2026 – 30.06.2026
Product/service type (amounts in USD thousand)	**CSA agreements**	**SLS agreements**	**Other revenues from contracts**	**Total**
Firmware license	-	624	-	624
Activation	1 058	-	108	1 166
Development	-	-	-	-
Maintenance	109	-	-	109
Other	131	29	23	183
Total	**1 298**	**653**	**131**	**2 082**
Delivery date				
At the time	1 075	625	121	1 821
Over time	223	28	10	261
Total	**1 298**	**653**	**131**	**2 082**

Contract type				01.01.2025 - 30.06.2025
Product/service type (amounts in USD thousand)	**CSA agreements**	**SLS agreements**	**Other revenues from contracts**	**Total**
Firmware license	-	766	-	766
Activation	1 364	-	-	1 364
Development	-	-	-	-
Maintenance	127	-	-	127
Other	85	32	-	117
Total	**1 576**	**798**	**-**	**2 374**
Delivery date				
At the time	1 387	768	-	2 155
Over time	189	30	-	219
Total	**1 576**	**798**	**-**	**2 374**

Revenues broken down by segments and description of the segments are presented in Note 23.

Estimates:

In the case of obligations performed over time (service and maintenance), the Group used the straight-line method to recognize revenues, pro rata to the elapse of time. The entity's actions and expenditures are executed evenly throughout the entire period of performance.

In the case of revenues recognized at the time, the Group has made a judgment that the licenses offered under SLS agreements have the nature of licenses with the right to use intellectual property, which means that the revenue from the sale of such licenses is recognized once, at the time of hand-over of control over the license to the customer.

In the case of granting access to the Silvair Platform, the Group estimated that the benefits are transferred at the time of activation of access to the Platform for each connected device.

Note 22.2 Sales revenues – geographic structure

Sales revenues (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025	01.04.2026 - 30.06.2026*	01.04.2025 - 30.06.2025*
Revenues from sales of products	**1 789**	**2 129**	**1 208**	**1 217**
Domestically	-	-	-	-
Within the European Union	705	766	457	303
In third countries	1 084	1 363	751	914
Revenues from sales of services and goods	**293**	**245**	**141**	**124**
Domestically	-	-	-	-
Within the European Union	94	51	47	27
In third countries	199	194	94	97
Total	**2 082**	**2 374**	**1 349**	**1 341**

** Unaudited data*

Information on sales revenues – main buyers:

In 2026, the Group generated sales exceeding 10% of consolidated revenues in cooperationwith two buyers:

- buyer A: 29.74 % of the Group's total consolidated sales revenues,
- buyer B: 21.35 % of the Group's total consolidated sales revenues,

The buyers listed above are not affiliates or subsidiaries of Silvair, Inc. In the Group's opinion, the increase in the share of individual customers is temporary and related to the current market situation.

Information on sales revenues – geographic structure

Country	Sales to external customers	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025	01.04.2026 – 30.06.2026*	01.04.2025 – 30.06.2025*
European Union including Poland	USD	799	817	504	330
	%	38%	34%	37%	25%
Other countries	USD	1 283	1 557	845	1 011
	%	62%	66%	63%	75%
Total revenues	USD	2 082	2 374	1 349	1 341
	%	100%	100%	100%	100%

** Unaudited data*

Note 23 Operating segments

Pursuant to IFRS 8, an operating segment is a component of an entity that is a profit center, that has discrete financial information available, and whose results are reviewed regularly by the entity's chief operating decision maker for purposes of performance assessment and resource allocation.

The segments have been distinguished taking into account the specificity of the Group's activity and its directions of development, and the possibility of generating revenues by such segments in the long run. It was taken into account whether there is a significant possibility of allocating the costs and assigning the assets to the distinguished segments.

Currently, the Group distinguishes 3 segments: Lighting Control, Smart Lighting Services, and Smart Building Management. In the reporting period, the Group earned revenues only in the Lighting Control segment. The Group is working on product development in other segments and expects to generate revenue from this in the coming years.

General and administrative expenses, selling and distribution expenses, other operating income and expenses, financing of the Group (including financial income and expenses) and income tax are not monitored on the segment level, hence these items are not allocated to segments. The Board does not analyze cash flows by segment either. These items are presented as not assigned to segments.

The table below presents the key figures reviewed by the chief decision maker in the Company.

Information on individual operating segments in the period from 1 January 2026 to 30 June 2026

Segment type (amounts in USD thousand)	Lighting Control	Items not allocated to segments	Total
Revenues and expenses			
Sales to external customers	2 082	-	2 082
Inter-segment sales	-	-	-
Cost of sales	1 154	-	1 154
Income and expenses (operating and other operating)	53	-978	-925
EBIT	**981**	**-978**	**3**
Net financial income (costs)	-	-130	-130
Share in profits of associates	-	-	-
Gross profit	**981**	**-1 108**	**-127**
Income tax (current and deferred)	-	98	98
Net profit for the reporting period	**981**	**-1 206**	**-225**
Assets			
Costs of development work (carrying amount of assets)	13 070	-	13 070
Receivables	876	-	876
Unallocated assets	-	1 807	1 807
Total assets			**15 753**
Liabilities			
Financial liabilities	-	5 085	5 085
Liabilities from contracts with customers	715	-	715
Unallocated liabilities	-	1 085	1 085
Total liabilities			**6 885**
Other information			
Depreciation and amortization	1 154	60	1 214

Information on individual operating segments in the period from 1 January 2025 to 30 June 2025

Segment type (amounts in USD thousand)	Lighting Control	Items not allocated to segments	Total
Revenues and expenses			
Sales to external customers	2 374	-	2 374
Inter-segment sales	-	-	-
Cost of sales	979	-	979
Income and expenses (operating and other operating)	50	-744	-694
EBIT	**1 445**	**-744**	**701**
Net financial income (costs)	-	-167	-167
Share in profits of associates	-	-	-
Gross profit	**1 445**	**-911**	**534**
Income tax (current and deferred)	-	35	35
Net profit for the reporting period	**1 445**	**-946**	**499**
Assets			
Costs of development work (carrying amount of assets)	13 399	-	13 399
Receivables	1 167	-	1 167
Unallocated assets	-	1 248	1 248
Total assets			**15 814**
Liabilities			
Financial liabilities	-	4 303	4 303
Liabilities from contracts with customers	714	-	714
Unallocated liabilities	-	1 204	1 204
Total liabilities			**6 221**
Other information			
Depreciation and amortization	979	97	1 076

Information about segments broken down by regions, product lines and recognition time.

Segment type (amounts in USD thousand)			01.01.2026 - 30.06.2026
	Lighting Control	Other activity	Total
Region			
European Union	799	-	799
Other countries	1 283	-	1 283
Poland	-	-	-
Total	**2 082**	**-**	**2 082**
Product/service type			
Firmware license	624	-	624
Activation	1 166	-	1 166
Development	-	-	-
Maintenance	109	-	109
Other	183	-	183
Total	**2 082**	**-**	**2 082**
Delivery date			
At the time	1 821	-	1 821
Over time	261	-	261
Total	**2 082**	**-**	**2 082**

Segment type (amounts in USD thousand)			01.01.2025 - 30.06.2025
	Lighting Control	Other activity	Total
Region			
European Union	817	-	817
Other countries	1 557	-	1 557
Poland	-	-	-
Total	**2 374**	**-**	**2 374**
Product/service type			
Firmware license	766	-	766
Activation	1 364	-	1 364
Development	-	-	-
Maintenance	127	-	127
Other	117	-	117
Total	**2 374**	**-**	**2 374**
Delivery date			
At the time	2 155	-	2 155
Over time	219	-	219
Total	**2 374**	**-**	**2 374**

Note 24 Other operating income

Other operating income (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025	01.04.2026 - 30.06.2026*	01.04.2025 - 30.06.2025*
Profit on the sale of non-financial non-current assets	-	7	-	-
Revaluation of non-financial assets	4	5	2	-
Other operating income	59	53	28	28
Total	**63**	**65**	**30**	**28**

** Unaudited data*

Note 25 Other operating expenses

Other operating expenses (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025	01.04.2026 - 30.06.2026*	01.04.2025 - 30.06.2025*
Revaluation of non-financial assets	4	5	4	5
By segments:				
Lighting Control	4	5	4	5
Other	-	-	-	-
Other operating expenses	12	13	7	9
Total	**16**	**18**	**11**	**14**

** Unaudited data.*

The costs related to the revaluation of assets are described in Note 1.1 and 1.2 as well as in Note 6 and 7.

Note 26 Breakdown of costs

Costs (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025	01.04.2026 - 30.06.2026*	01.04.2025 - 30.06.2025*
Depreciation and amortization	1 214	1 076	597	560
Consumption of materials and energy	40	66	23	39
External services	1 388	1 199	531	512
Taxes and fees	-	-	-	-
Payroll	517	486	251	243
Social security and other benefits	122	102	58	52
Other costs by nature	94	61	58	37
Value of products and materials sold	-	-	-	-
Total costs by type	**3 375**	**2 990**	**1 518**	**1 443**
Movement in inventory of products and production cost of products for own use (development work)	**1 249**	**1 270**	**428**	**563**
Cost of sales	1 154	979	575	506
Selling and distribution expenses	395	260	204	145
General and administrative expenses	577	481	311	229
Total costs by function	**2 126**	**1 720**	**1 090**	**880**

** Unaudited data*

Since the Company recognizes costs using the accrual method, some of the costs recognized in the Profit and loss account are costs recognized as a result of estimations pertaining to, for example, expected costs associated with unused vacation time.

Note 27 Financial income

Financial income (amounts in USD thousand)	**01.01.2026 - 30.06.2026**	**01.01.2025 - 30.06.2025**	**01.04.2026 - 30.06.2026***	**01.04.2025 - 30.06.2025***
Interest, including:	-	-	-	-
Interest on bank deposits and accounts	-	-	-	-
Other	-	-	-	-
Foreign exchange differences	-	-	-	-
Total financial income	**-**	**-**	**-**	**-**

** Unaudited data*

Note 28 Financial costs

Financial costs (amounts in USD thousand)	**01.01.2026 -30.06.2026**	**01.01.2025 - 30.06.2025**	**01.04.2026 - 30.06.2026***	**01.04.2025 - 30.06.2025***
Interest, including:	115	89	66	45
To other entities, including:	115	89	66	45
Interest on financial liabilities	100	89	53	45
Interest on received loans	-	-	-	-
Interest on lease agreements	15	-	13	-
Foreign exchange differences	13	75	8	24
Other	2	3	2	3
Financial costs	**130**	**167**	**76**	**72**

** Unaudited data*

Note 29 Reconciliation of the main items differentiating the income tax basis from the pre-tax financial result

Item (amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025	01.04.2026 - 30.06.2026*	01.04.2025 - 30.06.2025*
Profit before tax	**-127**	**534**	**202**	**1 448**
Costs not classified as tax-deductible expenses	**103**	**295**	**62**	**114**
Depreciation and amortization	85	111	41	58
PFRON disability fund tax	-	-	-	-
Unpaid interest	-1	99	5	38
Unpaid payroll and social security contributions	2	2	-	-
Foreign exchange differences in the balance sheet	4	30	5	13
Impairment losses	4	5	4	5
Other costs, including:	9	48	7	-
Valuation of stock options (Note 30)	13	27	7	10
Costs of the previous year recognized as tax-deductible expenses in the current year	**1**	**1**	**-**	**-**
Social security contributions (ZUS) from November-December of the previous year, paid in January of the next year	1	1	-	-
Other	-	-	-	-
Revenues that are not tax revenues	**78**	**108**	**41**	**58**
Unpaid interest	-	-	-	-
Impairment losses	21	49	10	25
Grant	53	50	27	26
Other	4	9	4	7
Previous year revenues subject to taxation in the current year	**58**	**81**	**-10**	**22**
Interest paid	-	-	-	-
Increase in revenues (balance sheet revenues settled over time)	58	81	-10	22

Income / loss	**-45**	**801**	**-727**	**1 526**
Deductions from income	-	-	-	-
Taxation base	**-45**	**801**	**-727**	**1 526**
Tax – Parent Company	-	-	-	-
Impact of movement in asset on deferred tax	-98	-36	-91	-75
Impact of movement in liability on deferred tax	-	-1	-	-
Total charges to profit before tax	**-98**	**-35**	**-91**	**-75**

** Unaudited data*

The tax rate applicable to the parent company is 27.98% and includes federal tax and state tax.

Reconciliation of the income tax calculated using the tax rate applied by the Parent Company on the result before taxation with the income tax shown in the consolidated statement is as follows:

	01.01.2026 - 30.06.2026	**01.01.2025 - 30.06.2025**	**01.04.2026 - 30.06.2026***	**01.04.2025 - 30.06.2025***
Pre-tax result	-127	534	202	1 448
Tax rate applied by the Company after adjusting for federal benefits - including federal tax and state tax	27,98%	27,98%	27,98%	27,98%
Tax rate applied by subsidiaries	19%	19%	19%	19%
Income tax according to the domestic rate of the Parent Company	-	-	-	-
Income tax reconciliation on account of:				
Change in deferred tax liability on account of the difference between the tax value and the carrying amount of completed development works	-	-1	-	-
Change in the asset on account of deferred income tax on account of development tax losses	98	36	91	75
Tax paid in the United States	-	-	-	-
Income tax	**98**	**35**	**91**	**75**

** Unaudited data*

Note 30 Share-based payment agreements

Description of the agreements:

On 7 October 2016, the Board of Directors adopted a resolution on the introduction of the "2016 Stock Plan" specifying the rules for granting and exercising rights to acquire shares by employees and associates of the Company (Option Plan).

On 14 October 2016, the Entity signed a KPI Agreement, as amended by annex of 18 December 2017, setting forth the terms and conditions for granting stock options to the beneficiaries named in the agreement (i.e. members of the management board, key employees and associates of the Entity) under two option pools. As part of the "Option Pool" a total of 971,000 shares were to be awarded, and as part of the "Additional Option Pool" - a total of 482,000 shares were to be awarded.

The Group considers the date of signing the KPI Agreement as the option granting date within the meaning of IFRS 2.

On 31 March 2020, the Board of Directors of Silvair, Inc. adopted a resolution on increasing the number of shares under the Option Plan from 1,453,000 shares to 2,000,000 shares, covering all of the Entity's employees with the new program.

On 25 February 2025, the Board of Directors of Silvair, Inc. adopted a resolution to increase the number of shares under the Option Plan from 2,000,000 shares to 2,500,000 shares.

Summary information on share-based payment programs launched in the Group is presented in the table below:

Option Plan	Program I	Program II	Program III	Program IV
Formal basis	**KPI Agreement „Option Pool"**	**KPI Agreement „Additional Option Pool"**	**Resolution of the Board of Directors „Option Pool 2020"**	**Resolution of the Board of Directors „Option Pool 2025"**
Program launch date	14.10.2016	14.10.2016	31.03.2020	25.02.2025
Number of shares in the pool	971 000	482 000	547 000	500 000
Option exercise price (USD)	0,10	0,10	0,10	0,10
Price of shares listed on the WSE as at the program launch date (USD)	n/a	n/a	0,61	0,66
Number of shares granted under the concluded option contracts	971 000	478 241	544 061	55 200
Number of shares acquired in the exercise of options	956 000	377 608	517 825	41 400

Option exercise structure in the period:

	01.01.2026 - 30.06.2026	01.01.2025 - 31.12.2025	01.01.2025 - 30.06.2025
Pool of shares under the Option Plan	2 500 000	2 500 000	2 500 000
Number of shares available under the Option Plan at the beginning of the period	**451 498**	**6 698**	**6 698**
Increase of the pool of shares under the Option Plan	-	500 000	500 000
Number of shares granted under concluded option agreements	-	55 200	55 200
Number of shares taken up in exercise of options	13 800	41 115	21 300
Number of shares remaining to be taken up in subsequent periods under concluded option agreements	155 669	169 469	189 284
Number of shares released upon expiration of options	-	-	-
Number of shares available under the Option Plan at the end of the period	**451 498**	**451 498**	**451 498**

As at the publication date, the number of shares taken up in exercise of options amounted to 1,899,733.

The Group has measured the fair value of services received in exchange for equity instruments indirectly, by reference to the fair value of the equity instruments granted. The fair value of options awarded under the KPI Agreement was estimated by an independent expert using modern financial engineering methods. The Hull-White model was used to measure the fair value of the options granted, with the following assumptions:

- Stock price at the beginning of the period = $3.33.
- Strike price of the option = $0.10.
- Risk-free interest rate = 2.455%.
- Dividend yield = 0%.
- Parameter M = 3.
- Parameter eΔt = 0%.
- Stock price volatility (σ) = 46.6%.

For the options granted after the public issue of the parent company's shares, the services received in exchange for equity securities were valued using the fair value determined indirectly by reference to the stock price on the date of granting the options.

Impact of share-based payment transactions on the Group's result in the reporting period – valuation of options:

(amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025
Management costs	13	27
Capital from revaluation of options	13	27

Impact of option exercise, change in the structure of the Group's consolidated equity in the reporting period:

(amounts in USD thousand)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025
Other capital	13	18
Capital from revaluation of options	-13	-23

The change in capital from revaluation of options in the period from 1 January 2026 to 30 June 2026 results from the exercise of 13,800 stock options and revaluation of the remaining options in the vesting period. The total value of shares taken up in performance of option contracts in the reporting period was USD 13 thousand.

The change in capital from revaluation of options in the period from 1 January 2025 to 30 June 2025 results from the exercise of 21,300 stock options and revaluation of the remaining options in the vesting period. The total value of shares taken up in performance of option contracts in the reporting period was USD 18 thousand.

Estimates:

The Group has measured the fair value of services received as consideration for equity instruments indirectly, by reference to the fair value of the equity instruments granted. The fair value of awarded options was estimated by an independent expert using modern financial engineering methods and the assumptions were presented in the note above. In the case of awarding further options from the available pool, the valuation will be carried out on the basis of the current stock price from the date of award. A significant increase of the stock price in the future may have significant impact on the value of the costs recognized on account of the option plan.

Note 31 Material events after the balance sheet date

Korea Build Week 2026

In August, representatives of the Silvair Group participated in Korea Build Week 2026 in Seoul, one of South Korea's most important events for the construction and building technology sectors. Participation in the event marked the next stage in expanding Silvair's presence in the Asia-Pacific region and served as a significant first step toward establishing the Group's position in the Korean market. Szymon Słupik, Silvair's CTO, delivered a keynote speech at the accompanying Build Con Summit conference. His presentation, titled

"Building Longevity and Technology Choices: Wireless Lighting Control and Open Standards," focused on the importance of open standards and the long-term interoperability of building technologies. The visit to Seoul also provided an opportunity to build relationships with local partners and further explore potential applications for Silvair's technology in the Korean market.

Webinar with IES and Pacific Northwest National Laboratory

In August, Szymon Słupik, CTO of Silvair, was a speaker at a webinar organized by the Illuminating Engineering Society (IES) and the Pacific Northwest National Laboratory (PNNL), focusing on the advanced integration of lighting systems with other building systems. The event presented an analysis of over a dozen use cases for such integrations, their impact on the functionality and value of building systems, and challenges related to interoperability. Silvair's participation in the event reflects the US market's growing interest in leveraging networked lighting control infrastructure to integrate with other building technologies, including HVAC systems.

IES Conference

In late August, Szymon Słupik also presented at IES26 in Denver — the annual conference of the Illuminating Engineering Society, one of the most important organizations in the US lighting industry. His presentation, "Bluetooth NLC – A Decade of Evolution and the Roadmap Ahead," focused on the evolution of Bluetooth NLC technology, experiences to date regarding its commercialization, and the standard's future development path. Silvair's participation in the conference program offered another opportunity to promote open, interoperable building technologies and to reinforce the Group's position as an active player in the development of the Bluetooth NLC ecosystem within the North American market.

2 million devices with Silvair technology

In August 2026, the number of devices with Silvair technology manufactured by partners since the start of commercialization surpassed 2 million units. This latest milestone was reached just over a year after the one-million mark was crossed, a significant acceleration compared to the five years it took to achieve the first million. This momentum clearly reflects the growing scale of the ecosystem and the increasing adoption of the technology by lighting manufacturers.

Note 32 Information on joint ventures

There were no joint ventures in the current and previous financial year.

Note 33 Financial risk management objectives and principles

The Group's operations are exposed to the following types of financial risk:

- credit risk
- liquidity risk
- market risk
- currency risk
- interest rate risk
- other price risk.

Credit risk is the risk that one party to a financial instrument fails to discharge its obligation to the Group causing financial loss for the Group. Credit risk arises in receivables, cash and cash equivalents, deposits, bonds purchased and security deposits paid.

Impact of credit risk on the Group's main operating segments: production of software for remote communication between devices and smart lighting systems, due to its nature, is not exposed to a significant level of this type of risk. Sales in these segments are largely to a stable client base and are made on deferred payment terms. The Group's counterparties are mainly companies with an established market and financial position, which means that the exposure to individual credit risk is not high

The Group applies internal procedures and mechanisms that mitigate this risk: appropriate client selection, new clients review system and ongoing monitoring of amounts receivable. The Group consistently pursues the recovery of overdue receivables. The Group's credit risk is verified with the use of the model of % share of unpaid receivables in specific time intervals (the model description is included in the section "Description of adopted accounting policies").

The Group invests its cash in reliable financial institutions (selected on the basis of ratings). The Group is exposed to immaterial levels of credit risk.

Liquidity risk is the risk that arises when the Group meets difficulties in fulfilling its obligations related to financial liabilities.

Considering the stage of the Group's development, the pace of adoption of the developed technology and the innovative nature of the products based on this technology, we are exposed to a risk that we will not be able to fulfil our obligations when due, in particular due to limited access to funding, failure to earn revenues, delay in earning revenues or earning lower future revenues than assumed, or increased costs resulting from the development of our activity, or other factors. In addition, we are exposed to the risk of key clients failing to meet their contractual obligations towards the Group's companies.

The Group takes a number of actions aimed at securing the funding for its current and future capital requirements, primarily through concentrating efforts on commercialization of its products, in parallel with efforts aimed at achieving the breakeven point as soon as practicable, and raising funding in the transition period from: issue of convertible notes, stock issue addressed to existing shareholders and a group of new investors, and research and development support programs (subsidies).

The Group monitors the risk of shortage of funds through periodic liquidity planning, taking into account the payment due/maturity of assets and liabilities and projected cash flows from operating activity.

Financial liabilities by maturity date as at 30 June 2026

(amounts in USD thousand)	On demand	Under 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years
Bank loans and borrowings	-	-	-	-	-
Bond liabilities*	-	-	4 862	-	-
Trade liabilities	-	328	-	-	-
Lease liabilities	-	18	46	159	-
Total	**-**	**346**	**4 908**	**159**	**-**

**The measurement at amortized cost does not differ materially from the carrying amounts. The difference between the value at the amount due and the value according to the measurement at amortized cost for the bond liabilities amounts to USD 6.5 thousand.*

Financial liabilities by maturity date as at 31 December 2025

(amounts in USD thousand)	On demand	Under 3 months	From 3 to 12 months	From 1 year to 5 years	Over5 years
Bank loans and borrowings	-	-	-	-	-
Bond liabilities*	-	285	2 819	1 088	-
Trade liabilities	2	263	-	-	-
Lease liabilities	-	15	59	194	-
Total	**2**	**563**	**2 878**	**1 282**	**-**

Financial liabilities by maturity date as at 30 June 2025

(amounts in USD thousand)	On demand	Under 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years
Bank loans and borrowings	-	-	-	-	-
Bond liabilities*	-	-	2 427	1 572	-
Trade liabilities	1	242	-	-	-
Lease liabilities	-	17	55	232	-
Total	**1**	**259**	**2 482**	**1 804**	**-**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Because of the global character of the business conducted by Silvair, Inc. Group in which most of the revenues are generated in USD and EUR, while most expenses are incurred in PLN, the Group is exposed to risk related to sudden changes in exchange rates, including in particular appreciation of PLN and depreciation of EUR vs. USD. The group monitors currency exchange rates and observes emerging trends. When significant revenues appear, the Group will take steps to use instruments hedging sudden exchange rate fluctuations. The impact of changes in exchange rates is shown in the tables in the further part of the note.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not invest any surplus funds in interest-bearing assets based on floating interest rates and accordingly it is not exposed to the risk related to changes in interest rates. The principal risk of changes in interest rates is related to debt instruments. In 2026 and 2025, the Group did not use any external debt instruments with a floating interest rate (loans and bonds), the interest rate on which would depend on changes in interest rates. Accordingly, it was not exposed to changes in cash flows resulting from changes in interest rates.

Other price risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The Group does not use financial instruments associated with price risk. The Group is not exposed to other price risk.

The Group's financial risk management is coordinated by the Parent Company in close collaboration with the Board of its subsidiary. In the risk management process, these are the most important goals:

- secure short- and medium-term cash flows,
- stabilize fluctuations in the Group's financial performance,
- fulfil planned financial forecasts by meeting relevant budget assumptions,
- achieve a rate of return on long-term investments and obtain optimal sources of funding for investment activities.

The Group does not execute transactions on financial markets for speculative purposes.

The main financial instruments used by the Parent Company and subsidiaries include loans, cash, short-term deposits and bonds. The Group also holds other financial instruments, such as trade receivables and payables, which arise directly from its activities. The Group does not classify any instruments categorized as loans and borrowings to financial liabilities designated for measurement at fair value through profit or loss. All loans, borrowings and other debt instruments are carried at amortized cost using the effective interest rate. The Group assesses the risk associated with concentration of business partners, foreign currencies, markets and debt instruments as low.

Classification of financial instruments according to IFRS 9

Financial assets by balance sheet item (amounts in USD thousand)	30.06.2026 fair value	30.06.2026 carrying amount	Classification of financial instruments according to IFRS 9 (carrying amount)			Other
			Measured at fair value through profit or loss	Measured at fair value with changes through other comprehensive income	Measured at amortized cost	
Financial assets						
Interest and shares	-	-	-	-	-	-
Trade receivables	876	876	-	-	876	-
Cash	963	963	-	-	963	-

Financial liabilities by balance sheet item (amounts in USD thousand)	30.06.2026 fair value	30.06.2026 carrying amount	Classification of financial instruments according to IFRS 9 (carrying amount)		
			Measured at fair value through profit or loss	Measured at amortized cost	Measured at fair value through other comprehensive income
Financial liabilities					
Loans	-	-	-	-	-
Financial leases	223	223	-	223	-
Debt securities	4 862	4 862	-	4 862	-
Trade liabilities	328	328	-	328	-

Financial assets by balance sheet item (amounts in USD thousand)	31.12.2025 fair value	31.12.2025 carrying amount	Classification of financial instruments according to IFRS 9 (carrying amount)			Other
			Measured at fair value through profit or loss	Measured at fair value with changes through other comprehensive income	Measured at amortized cost	
Financial assets						
Interest and shares	-	-	-	-	-	-
Trade receivables	678	678	-	-	678	-
Cash	729	729	-	-	729	-

Financial liabilities by balance sheet item (amounts in USD thousand)	31.12.2025 fair value	31.12.2025 carrying amount	Classification of financial instruments according to IFRS 9 (carrying amount)		
			Measured at fair value through profit or loss	Measured at amortized cost	Measured at fair value through other comprehensive income
Financial liabilities					
Financial leases	268	268	-	268	-
Debt securities	4 192	4 192	-	4 192	-
Trade liabilities	265	265	-	265	-

Financial assets by balance sheet item (amounts in USD thousand)	30.06.2025 fair value	30.06.2025 carrying amount	Classification of financial instruments according to IFRS 9 (carrying amount)			Other
			Measured at fair value through profit or loss	Measured at fair value with changes through other comprehensive income	Measured at amortized cost	
Financial assets						
Interest and shares	-	-	-	-	-	-
Trade receivables	1 167	1 167	-	-	1 167	-
Cash	164	164	-	-	164	-

Financial liabilities by balance sheet item (amounts in USD thousand)	30.06.2025 fair value	30.06.2025 carrying amount	Classification of financial instruments according to IFRS 9 (carrying amount)		
			Measured at fair value through profit or loss	Measured at amortized cost	Measured at fair value through other comprehensive income
Financial liabilities					
Loans	-	-	-	-	-
Financial leases	304	304	-	304	-
Debt securities	3 999	3 999	-	3 999	-
Trade liabilities	243	243	-	243	-

Revenue, cost, profit and loss line items recognized in the statement of comprehensive income, by financial instrument category

For the period from 1 January 2026 to 30 June 2026

Financial assets (amounts in USD thousand)	Category under IFRS 9	Interest income / (expense)	Foreign exchange gains / (losses)	Reversal / (recognition) of impairment losses	Gains / (losses) on measurement	Total
Trade receivables	C	-	23	-	-	23
Cash and cash equivalents	C	-	-45	-	-	-45
Total		**-**	**-22**	**-**	**-**	**-22**
Financial liabilities						
Bank loans and borrowings	F	-	-	-	-	-
Leases	F	-15	10	-	-	-5
Bond liabilities	F	-100	-	-	-	-100
Trade liabilities	F	2	-1	-	-	1
Other liabilities	F	-2	-	-	-	-2
Total	**F**	**-115**	**9**	**-**	**-**	**-106**

Abbreviations used:

A – Financial assets measured at fair value through profit or loss
B – Financial assets measured at fair value through other comprehensive income
C – Financial assets measured at amortized cost
D – Financial liabilities measured at fair value through profit or loss
E – Financial liabilities measured at fair value through other comprehensive income (hedge accounting)
F – Financial liabilities measured at amortized cost

For the period from 1 January 2025 to 30 June 2025

Financial assets (amounts in USD thousand)	Category under IFRS 9	Interest income / (expense)	Foreign exchange gains / (losses)	Reversal / (recognition) of impairment losses	Gains / (losses) on measurement	Total
Trade receivables	C	-	-13	-	-	-13
Cash and cash equivalents	C	-	-59	-	-	-59
Total		**-**	**-72**	**-**	**-**	**-72**
Financial liabilities						
Bank loans and borrowings	F	-	-	-	-	-
Leases	F	-	-	-	-	-
Bond liabilities	F	-89	-	-	-	-89
Trade liabilities	F	-	-	-	-	-
Other liabilities	F	-	-3	-	-	-3
Total	**F**	**-89**	**-3**	**-**	**-**	**-92**

Sensitivity analysis

As at 30 June 2026 and as at 30 June 2025, the Group did not hedge its transactions denominated in foreign currencies.

The following table presents the sensitivity of the gross financial result (due to movement in the fair value of cash assets and liabilities) to reasonably possible fluctuations in the exchange rate of the US dollar (“USD”), assuming that other factors remain unchanged. According to the Group’s estimates, the impact of exchange rate fluctuations on the Group’s equity and total comprehensive income would be similar to the impact on the gross financial result, when income tax is taken into account.

Currency risk 1 January 2026 – 30 June 2026

The tables depict the effects of fluctuations in USD/PLN exchange rates, i.e. the exchange rate between the only currencies that are relevant to the Group's companies.

Financial instruments by balance sheet items (amounts in USD thousand)	Carrying amount of financial instruments	Effect on pre-tax financial result (10% increase)	Effect on equity (10% increase)	Effect on pre-tax financial result (10% decrease)	Effect on equity (10% decrease)
Financial assets					
Interest and shares	-	-	-	-	-
Trade receivables	876	-34	-	34	-
Cash, including:	963	-29	-	29	-
Cash in bank	962	-29	-	29	-
Financial liabilities					
Loans	-	-	-	-	-
Financial leases	223	22	-	-22	-
Trade liabilities	328	25	-	-25	-

Currency risk 1 January 2025 – 30 June 2025

Financial instruments by balance sheet items (amounts in USD thousand)	Carrying amount of financial instruments	Effect on pre-tax financial result (10% increase)	Effect on equity (10% increase)	Effect on pre-tax financial result (10% decrease)	Effect on equity (10% decrease)
Financial assets					
Interest and shares	-	-	-	-	-
Trade receivables	1 167	-38	-	38	-
Cash, including:	164	-9	-	9	-
Cash in bank	163	-9	-	9	-
Financial liabilities					
Loans	-	-	-	-	-
Financial leases	304	30	-	-30	-
Trade liabilities	243	29	-	-29	-

Financial instruments by currency

As at 30 June 2026

Financial assets	USD	PLN	EUR	Total
Interest and shares	-	-	-	-
Trade receivables	537	-	339	876
Cash and cash equivalents, including:	669	87	207	963
Cash in bank	669	86	207	962
Financial liabilities	**USD**	**PLN**	**EUR**	**Total**
Bank loans and borrowings, including:	-	-	-	-
Long-term	-	-	-	-
Short-term	-	-	-	-
Financial leases	-	223	-	223
Bond liabilities	4 862	-	-	4 862
Trade liabilities	159	169	-	328

As at 30 June 2025

Financial assets	USD	PLN	EUR	Total
Interest and shares	-	-	-	-
Trade receivables	796	1	370	1 167
Cash and cash equivalents, including:	70	6	88	164
Cash in bank	70	5	88	163
Financial liabilities	**USD**	**PLN**	**EUR**	**Total**
Bank loans and borrowings, including:	-	-	-	-
Long-term	-	-	-	-
Short-term	-	-	-	-
Financial leases	6	298	-	304
Bond liabilities	3 999	-	-	3 999
Trade liabilities	122	121	-	243

Note 33.2 Capital risk management

The Group manages capital to maintain capacity to continue its activity, taking into account the implementation of planned investments, so that it can generate returns for shareholders and bring benefits to other stakeholders, and also to maintain the optimum capital structure to reduce its cost. In line with the market practices, the Group is monitoring capital i.a. on the basis of the debt ratio. The debt ratio is calculated as the ratio of debt to financial capital. Debt is calculated as the sum of financial liabilities (loans, borrowings, leases), while financial capital is the sum of equity and financial liabilities. In order to maintain financial liquidity and credit capacity that would enable the Group to raise external financing at a reasonable cost, the Group assumes that its equity ratio will be maintained at no more than 50%.

Item (amounts in USD thousand)	30.06.2026	31.12.2025	30.06.2025
Debt	223	268	304
Equity	8 868	9 690	9 593
Total financial capital	9 091	9 958	9 897
Debt ratio	2,45%	2,69%	3,07%

Note 34 Employment in the Group

Item	Average headcount in the period 01.01.2026 – 30.06.2026		
(persons)	Total	White-collar employees	Blue-collar employees
Silvair, Inc.	-	-	-
Silvair Sp. z o. o.	22	22	-
Total	**22**	**22**	**-**

Item	Average headcount in the period 01.01.2025 – 31.12.2025		
(persons)	Total	White-collar employees	Blue-collar employees
Silvair, Inc.	-	-	-
Silvair Sp. z o. o.	22	22	-
Total	**22**	**22**	**-**

Item	Average headcount in the period 01.01.2025 – 30.06.2025		
(persons)	Total	White-collar employees	Blue-collar employees
Silvair, Inc.	-	-	-
Silvair Sp. z o. o.	22	22	-
Total	**22**	**22**	**-**

Note 35 Entity authorized to audit financial statements

The interim condensed consolidated financial statements as at 30 June 2026 and as at 30 June 2025 were reviewed, and the annual financial statements prepared as at 31 December 2025 was audited by Grant Thornton Polska Prosta Spółka Akcyjna with its registered office in Poznań at ul. Abpa Antoniego Baraniaka 88E.

The net amount of the contractor's fee for reviewing the interim condensed consolidated financial statements as at 30 June 2026 is PLN 50,000. The net amount that the contractor received for reviewing the interim condensed consolidated financial statements as at 30 June 2025 was PLN 44,000.

Note 36 Loans granted by the Group to persons comprising management and supervisory bodies

In the reporting period, the Group did not conduct transactions with Members of the Board of Directors, Officers, Members of the Management, or Supervisory Board Members or their spouses, relatives by blood and by marriage, which would involve the granting of loans to the above persons.

Note 37 Compensation of key management personnel

Compensation of key management personnel on account of short-term employee benefits:

Item (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025
Szymon Słupik	44	43
Adam Gembala	44	43
Rafał Han	44	43
Total compensation paid	**132**	**129**

Compensation of key management personnel on account of share-based payment agreements

Item (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025
Szymon Słupik	-	-
Adam Gembala	-	-
Rafał Han	-	-
Gross compensation paid	**-**	**-**

Total compensation of key personnel

Total compensation of key management personnel (amounts in USD thousand)	01.01.2026 – 30.06.2026	01.01.2025 – 30.06.2025
Szymon Słupik	44	43
Adam Gembala	44	43
Rafał Han	44	43
Total compensation	**132**	**129**

Note 13 presents costs captured in the consolidated profit and loss account, related to the valuation of options from the Additional Option Pool referred to in Note 30.

Note 38 Related party transactions

Transactions with parties related by equity with the Parent Company

Parties related by equity with the Parent Company:

- Silvair Sp. z o.o.

The Parent company holds directly 100% shares in Silvair Sp. z o. o.

The following transactions were effected in the reporting period between parties related by equity:

Loan agreement between Silvair, Inc. (lender) and Silvair Sp. z o.o. (borrower).

As at 30 June 2026, Silvair Sp. z o. o. posted a liability on account of the loan from Silvair, Inc. in the amount of USD 698 thousand.

As at 31 December 2025, Silvair, Inc.'s receivable under the loan granted to Silvair Sp. z o.o. amounted to USD 790 thousand.

The Group assumes that the granted loan will be settled through conversion to capital.

Loan agreement between Silvair Sp. z o.o. (lender) and Silvair, Inc. (borrower).

As at 30 June 2026 and 31 December 2025, Silvair, Inc. had accrued interest on the loan outstanding in the amount of USD 1 thousand. At this moment, Silvair, Inc. does not anticipate any circumstances in which it will take out further installments of the loan.

Trade settlements within the Group

As at 30 June 2026 and as at 31 December 2025, Silvair, Inc. and Silvair Sp. z o.o. posted no mutual trade receivables or liabilities.

In 2026 and 2025, apart from loans, there were no other transactions between the Group's companies.

If transactions or mutual liabilities and receivables occurred in the reporting period between the companies, they would be excluded from these interim consolidated statements.

Entities having personal ties with the Group's companies:

Transactions between entities with personal ties:

In the reporting period, the Group's key management personnel and their close family members did not control, jointly control or exert significant influence on and were not members of key personnel of the entities that entered in material transactions with the Group's Companies.

Note 38.1 Transactions with the key management personnel and shareholders

Key management personnel:

Key management personnel is comprised of the persons who, directly or indirectly, have the right to and are responsible for planning, managing and controlling of the group's activities. In the reporting period, the key management personnel was comprised of:

Rafał Han – Chief Executive Officer

Szymon Słupik – Chief Technology Officer, President of the Board of Directors

Adam Gembala – Chief Financial Officer, Vice-President of the Board of Directors, Secretary and Treasurer

Christopher Morawski – Non-executive Director

Compensation received by the key management personnel in connection with their functions and on account of share-based payments is described in Note 37.

Transactions between the Group's Companies and key management personnel and/or shareholders::

As at 30 June 2026, Silvair, Inc. held a liability on account of convertible bonds toward companies related personally to Christopher Morawski, who is a member of the Board of Directors of Silvair, Inc., i.e. a liability to Trikon LLC in the amount of USD 1.3 million. As at the balance sheet date of 31 December 2025, the liability to Morawski Family Trust amounted to USD 1.3 million, and as at 30 June 2025 it amounted to USD 1.2 million.

As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, subsidiary Silvair Sp. z o.o. posted no other liabilities toward shareholders or the Board of Directors other than current liabilities on account of compensation and business travels.

Note 39 Minority interest

As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, there was no minority interest within the Group.

Note 40 Subsidiaries with non-controlling interest

As at 30 June 2026, as at 31 December 2025, and as at 30 June 2025, there were no subsidiaries in the Group with non-controlling interest.

The interim condensed consolidated financial statements for the period from 1 January to 30 June 2026 (including comparative data) were approved for publication by the Board of Directors on 22 September 2026.

Rafał Han

Chief Executive Officer

Szymon Słupik

Chief Technology Officer,
President of the Board of Directors

Adam Gembala

Chief Financial Officer,
Vice-President of the Board of Directors,
Secretary and Treasurer

Christopher Morawski

Director