Consolidated quarterly report of the Silvair, Inc. Group

Kraków, 19 May 2026

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For the purpose of providing additional information in the condensed consolidated (quarterly) report, the Group uses a unified numbering system for 'Notes and explanations', which is identical (comparable) to the one used in the annual report.

The lack of continuity in the numbering of notes in the quarterly report results from the lack of obligation to include some of the information disclosed in the annual report.

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:	**2026-03-31**
Period covered by the condensed financial statements:	**From 1 January 2026 to 31 March 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 that occurred since the end of the previous reporting period	**Changes did not occur**

Group's business

Silvair, Inc. ("Issuer", "Company") is a company established and operating under the laws of the State of Delaware. The Company was established as a corporation on 30 May 2014. It is entered into the register maintained by the Secretary of the State of Delaware under entry no. 5543093 (Delaware Corporate Number) and has been established for an indefinite period. The Company is the parent entity within the Company's Group, as described in the subsequent parts of 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 today's commercial properties.

Our products and services are based on the Bluetooth NLC standard, which we have co-developed from the outset within the Bluetooth SIG. It is the first global and open standard for wireless lighting control, which we are currently developing for broader applications in building automation. Since the standard's publication, Silvair has consistently remained 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, HVAC system integration, through installation management and monitoring services, to data processing within the Internet of Things (IoT).

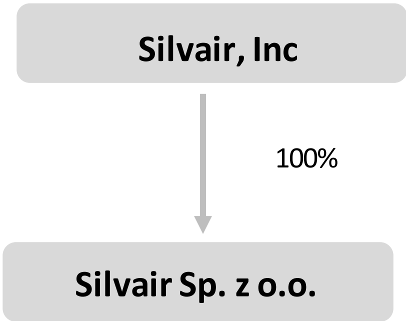
We provide a comprehensive technology ecosystem, enabling partners to quickly and cost-effectively integrate our wireless solutions with their products and systems. This includes software for electronic components, a platform for commissioning, configuring, and managing device networks, and a wide range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

We continually invest in technology development, which enables us to introduce innovative products to the market for completely new applications, including: space occupancy monitoring, predictive maintenance that identifies device failures before they occur, and radio-based asset tracking that identifies 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 Europe, North America, and Asia.

The Group

The Group's structure as at 31 March 2026.



Functional and presentation currency

The interim 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 manner 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's entities, whose functional currencies differ from the presentation currency, are translated into the presentation currency as follows:

- assets and liabilities in each presented 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 condensed consolidated financial statements were prepared as at 31 March 2026 and cover the period of 3 months, i.e. from 1 January 2026 to 31 March 2026.

For the data presented in the condensed consolidated statement of financial position, consolidated statement of changes in equity, and off-balance sheet items, comparative financial data were presented as at 31 December 2025 and as at 31 March 2025.

For the data presented in the interim consolidated profit and loss account, interim consolidated statement of comprehensive income, and in the consolidated cash flow statement, comparative financial data were presented for the period from 1 January 2025 to 31 March 2025.

Going concern assumption

The statements have been drawn up based on the going concern assumption for the foreseeable future.

In the first quarter of 2026, the Group continued its dynamic business development and further expansion of scale of deployments in key markets. The number of devices with Silvair technology installed in commercial projects exceeded 122 thousand units, compared to nearly 90 thousand devices in the corresponding period of the previous year. This indicator remains the most important metric reflecting the pace of market adoption of the Group's technology.

In the first quarter of 2026, the Group's partners manufactured nearly 89 thousand devices with Silvair technology, compared to almost 144 thousand devices produced during the same period last year. The lower production level compared to the first quarter of 2025 was in line with the Group's expectations and resulted primarily from a temporary adjustment in inventory levels following a period of intensive inventory buildup by partners in previous quarters. The Group believes this phenomenon is temporary, as confirmed by both the continued high levels of device installations and manufacturing data recorded after the end of the reporting period. In April alone, the number of manufactured devices exceeded 65 thousand units, while the number of installed devices reached over 49 thousand, indicating a clear rebound in production activity and a further increase in demand for solutions based on Silvair technology.

Shortly after the end of the reporting period, the number of devices with Silvair technology installed since the beginning of commercialization exceeded one million units. This symbolic milestone confirms the scale of the Group's development and the growing importance of Silvair technology in the sector of modern control and automation systems. Further confirmation of the Group's dynamic growth was Silvair's inclusion in the top 100 of the Financial Times' *"The Americas' Fastest Growing Companies 2026"* ranking, which includes the fastest-growing companies in both Americas. This recognition further confirms the effectiveness of the implemented development strategy.

In the first quarter of 2026, the Group continued to develop key technological and product areas. The vast majority of development work focused on the Silvair Cloud Gateway solution, which will form the foundation for a new generation of services based on data from smart building networks. The platform being developed will enable easier, more scalable and cost-effective access to data collected by devices operating in Bluetooth NLC networks, supporting the development of services related to energy consumption monitoring, space occupancy monitoring, and the automation of infrastructure maintenance processes, among other things.

The Group also continued its market expansion in the area of integration between the lighting infrastructure and building management systems (BMS), as well as heating, ventilation, and air conditioning (HVAC) systems. In the first quarter of 2026, mwConnect, a long-term business partner of Silvair, finalized the commercialization process of a smart thermostat compliant with the latest Bluetooth NLC specification for integrating HVAC systems with lighting control networks. The Group believes that development in this area is one of the most important directions in the further evolution of the Bluetooth NLC standard and the entire building technology market.

The Group also continued to develop its automated emergency lighting testing segment (ELT). In the first quarter of 2026, intensive work was underway, including with leading Chinese manufacturers developing new components based on Silvair technology, a continuation of partnerships announced in the second half of last year. The ELT segment remains one of the Group's most promising segments, supported by growing regulatory requirements and increasing market demand for automated building infrastructure maintenance processes.

According to the Board's assessment, the operational data presented above, the development of new business areas, the growing scale of Silvair technology deployments and the consistent implementation of the growth strategy confirm the validity of the Group's going concern assumption for the foreseeable future.

Composition of the corporate bodies of the Parent Company as at 31 March 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 governing 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 31 March 2026, as at 31 December 2025 and as at 31 March 2025, consolidation encompasses Silvair, Inc. and the subsidiary Silvair Sp. z o.o.

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

The financial data of subsidiaries, after taking into consideration adjustments introduced to make them compliant with IFRS, is prepared for the same reporting period as the statements of the Parent Company, applying consistent accounting principles, based on uniform accounting principles applied to transactions and similar economic events.

IFRS conversion adjustments are made in order to eliminate any discrepancies in the application of accounting policies. Silvair, Inc. reviews 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 companies, 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 quarterly 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 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 – 31.03.2026	1,1719	1,1450	1,1987	1,1467
01.01.2025 – 31.03.2025	1,0531	1,0194	1,0950	1,0827
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 annual 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 – 31.03.2026	0,2763	0,2673	0,2853	0,2673
01.01.2025 – 31.03.2025	0,2517	0,2386	0,2621	0,2588
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 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 consolidated profit and loss account and the 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 in effect on 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 (amounts in USD thousand)	USD			EUR			PLN		
	01.01.2026 –31.03.2026	01.01.2025 –31.12.2025	01.01.2025 –31.03.2025	01.01.2026 –31.03.2026	01.01.2025 –31.12.2025	01.01.2025 –31.03.2025	01.01.2026 –31.03.2026	01.01.2025 –31.12.2025	01.01.2025 –31.03.2025
Net revenue on the sale of products, goods and materials	733	4 427	1 033	625	3 918	981	2 653	16 605	4 104
Profit/(loss) from operating activities	-275	1 020	226	-235	903	215	-995	3 826	898
Profit (loss) before tax	-329	656	131	-281	581	124	-1 191	2 461	520
Profit (loss) of the period	-336	515	171	-287	456	162	-1 216	1 932	679
Net cash flows from operating activities	414	2 820	623	353	2 496	592	1 498	10 578	2 475
Net cash flows from investing activities	-585	-2 436	-555	-499	-2 156	-527	-2 117	-9 139	-2 205
Net cash flows from financing activities	549	68	-1	468	61	-1	1 987	257	-4
Total net cash flows	378	452	67	322	401	64	1 368	1 695	266

For line items of the statement of financial position

Item (amounts in USD thousand)			USD			EUR			PLN
	31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.12.2025	31.03.2025
Total assets	15 765	16 017	14 365	13 749	13 648	13 268	58 979	57 677	55 506
Liabilities and provisions for liabilities	6 896	6 327	5 921	6 014	5 391	5 469	25 799	22 784	22 879
Non-current liabilities	471	1 622	4 072	411	1 382	3 761	1 762	5 841	15 734
Current liabilities	6 425	4 705	1 849	5 603	4 009	1 708	24 037	16 943	7 145
Equity attributable to shareholders of the parent company	8 869	9 690	8 444	7 735	8 257	7 799	33 180	34 894	32 628
Share capital	1 755	1 755	1 753	1 531	1 495	1 746	6 566	6 320	6 774
Number of shares	17 547 405	17 547 405	17 533 890	17 547 405	17 547 405	17 533 890	17 547 405	17 547 405	17 533 890
Weighted average number of shares	17 478 690	17 527 575	17 466 757	17 478 690	17 527 575	17 466 757	17 478 690	17 527 575	17 466 757
Earnings/(loss) per share (in USD, EUR and PLN)	-0,02	0,03	0,01	-0,02	0,03	0,01	-0,07	0,11	0,04
Book value per share (in USD, EUR and PLN)	0,51	0,55	0,48	0,44	0,47	0,44	1,89	1,99	1,86

Interim (quarterly) consolidated financial statements of the Silvair, Inc. Group

Consolidated statement of financial position

(Amounts in USD thousand)	Note no.	31 March 2026	31 December 2025	31 March 2025
Non-current assets		**13 895**	**14 414**	**13 181**
Capitalized expenditures on development work	**1**	13 143	13 624	12 459
Computer software		28	30	36
Property, plant and equipment		3	5	9
Right-of-use assets	**3.7**	240	268	6
Financial assets		-	-	-
Deferred tax assets	**5**	481	487	671
Current assets		**1 870**	**1 603**	**1 184**
Inventory	**6**	8	14	-
Trade receivables and other receivables	**7÷9**	755	860	840
Cash and cash equivalents		1 107	729	344
Total assets		**15 765**	**16 017**	**14 365**

(Amounts in USD thousand)	Note no.	31 March 2026	31 December 2025	31 March 2025
Equity		**8 869**	**9 690**	**8 444**
Equity attributable to the shareholders of the parent company		**8 869**	**9 690**	**8 444**
Share capital	**12**	1 755	1 755	1 753
Capital from revaluation of options	**13**	183	183	193
Share premium account	**14**	30 931	30 925	30 891
Other capital		1 420	1 911	1 035
Retained earnings	**15**	-25 420	-25 084	-25 428
Equity attributable to non-controlling entities		**-**	**-**	**-**
Non-current liabilities		**471**	**1 622**	**4 072**
Deferred tax liabilities	**17**	-	-	3
Lease liabilities	**18.1**	170	194	-
Liabilities on bonds convertible to shares	**20.1.1**	-	1 088	3 678
Prepayments and accruals related to grants	**21**	301	340	391
Current liabilities		**6 425**	**4 705**	**1 849**
Trade liabilities and other current liabilities		561	547	684
Liabilities from contracts with customers	**20.4**	729	690	648
Lease liabilities	**18.1**	72	74	6
Liabilities on bonds convertible to shares	**20.1.1**	4 808	3 104	276
Other short-term provisions	**20.3**	152	183	136
Prepayments and accruals related to grants	**21**	103	107	99
Equity and liabilities		**15 765**	**16 017**	**14 365**

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 –31.03.2026	01.01.2025 -31.03.2025
Revenue	**22**	**733**	**1 033**
Cost of sales		**579**	**473**
Gross sales result		**154**	**560**
Selling and distribution expenses		191	115
General and administrative expenses		266	252
Other operating income		33	37
Other operating expenses		5	4
Losses due to expected credit losses		-	-
Operating result		**-275**	**226**
Financial income		-	-
Financial costs		54	95
Result before tax		**-329**	**131**
Income tax		7	-40
Net profit/(loss) for the period		**-336**	**171**
Profit/(loss) attributable to:			
shareholders of the parent company		-336	171
non-controlling interest		-	-

		01.01.2026 –31.03.2026	01.01.2025 –31.03.2025
Net earnings/(loss) per share (in USD)	**16**	-0,02	0,01
Diluted earnings/(loss) per share (in USD)		-0,02	0,01

Interim consolidated statement of other comprehensive income (amounts in USD thousand)	01.01.2026 –31.03.2026	01.01.2025 –31.03.2025
Net profit/(loss) for the period	**-336**	**171**
Other comprehensive income	**-491**	**673**
Other comprehensive income to be reclassified to result in the future	-491	673
Foreign exchange differences from translation of foreign operations	-491	673
Other comprehensive income not to be reclassified to result in the future	-	-
Total comprehensive income	**-827**	**844**
Total comprehensive income attributable to:	-	-
Shareholders of the parent company	-827	844
Non-controlling interest	-	-

Interim consolidated statement of changes in equity

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	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	-	-6	6	-	-	-	-	-
Issue of new shares as part of the stock plan	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-
Valuation of stock options under IFRS 2	-	6	-	-	-	6	-	6
Issue and conversion of bonds convertible to shares	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-336	-336	-	-336
Other comprehensive income for the period	-	-	-	-491	-	-491	-	-491
At the end of the period 31.03.2026	**1 755**	**183**	**30 931**	**1 420**	**-25 420**	**8 869**		**8 869**

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	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	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	5	-11	6	-	-	-	-	-
Issue of new shares as part of the stock plan	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-
Valuation of stock options under IFRS 2	-	17	-	-	-	17	-	17
Issue and conversion of bonds convertible to shares	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	171	171	-	171
Other comprehensive income for the period	-	-	-	673	-	673	-	673
At the end of the period 31.03.2025	**1 753**	**193**	**30 891**	**1 035**	**-25 428**	**8 444**	**-**	**8 444**

Interim consolidated cash flow statement

(Amounts in USD thousand)	Note no.	01.01.2026 – 31.03.2026	01.01.2025 – 31.03.2025
Profit (loss) before tax		**-329**	**131**
Adjustments for:			
Depreciation and amortization		617	490
Foreign exchange gains (losses)		21	-25
Interest		49	44
Profit (loss) from investing activities		-	-
Movement in provisions		-31	18
Movement in inventory		6	2
Movement in receivables		83	-119
Movement in current liabilities, except for loans and borrowings		14	49
Tax paid		-	-
Movement in prepayments and accruals		-22	16
Other adjustments resulting from operating activity	**11.1**	6	17
Net cash from operating activities		**414**	**623**
Disposal of intangible assets and property, plant and equipment		-	-
Acquisition of property, plant and equipment		-	4
Expenditures for development work and acquisition of intangible assets	**1.2**	585	551
Net cash from investing activities		**-585**	**-555**
Net proceeds from issuing shares		-	-
Proceeds from the issue of debt securities		570	-
Repayment of loans and borrowings		-	-
Repayment of lease liabilities		19	1
Interest		2	-

Net cash from financing activities	**549**	**-1**
Net cash flows	**378**	**67**
Movement in cash	**378**	**67**
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	**1 107**	**344**

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Explanatory notes to the interim (quarterly) consolidated financial statements

Basis for preparation and accounting policies

Basis for preparation of the consolidated financial statements

These interim condensed consolidated financial statements of the Group cover the period of 3 months ended on 31 March 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 31 March 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.

These interim condensed consolidated financial statements have been prepared in accordance with the accounting principles that were presented in the Group’s last consolidated financial statements for the year ended 31 December 2025, except for the changes described below resulting from the entry into force of new standards, interpretations and changes in standards.

As at 31 March 2026, these condensed consolidated financial statements have not been subject to audit or review by an entity authorized to audit financial statements.

Changes in standards or interpretations introduced in 2026

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

- 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.

- Annual Improvements to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows" - Annual Improvements - only housekeeping changes.

The Group considers that the application of the above-mentioned amendments to standards did not have a material impact on the interim condensed consolidated financial statements in the period of their initial application, and resulted only in changes to the applied accounting principles or, possibly, extension of the scope of necessary disclosures.

<u>New standards and interpretations that have been published but are not yet effective:</u>

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), but have not entered into force yet:

- New IFRS 18 "Presentation and Disclosures in Financial Statements”. The new standard will replace IAS 1 "Presentation of Financial Statements". IFRS 18 introduces, among others: a new structure of the profit and loss statement, increased requirements for aggregation and disaggregation of data, requirements for disclosure of management-defined performance measures.

  The standard is effective for annual periods beginning on or after 1 January 2027. The Group continues to estimate the impact of the new standard on its financial statements.

- New IFRS 19 "Subsidiaries without public accountability: Disclosures". The standard applies to subsidiaries without public accountability for which their parent prepares consolidated financial statements in accordance with IFRS. New IFRS 19 exempts from disclosures required by other standards, and instead introduces a new list.

  The standard is effective for annual periods beginning on or after 1 January 2027. New IFRS 19 will not affect the Group's financial statements because it is not applicable to public entities.

- Amendments to IFRS 19 "Subsidiaries without public accountability: Disclosures." IFRS 19 enables subsidiaries without public accountability to apply IFRS with reduced disclosure requirements. It reduces disclosure requirements for other standards and amendments to standards issued until February 2021. The newly issued amendments to IFRS 19 enable subsidiaries to reduce disclosure requirements for standards and amendments issued between February 2021 and May 2024, in particular: IFRS 18, amendments to IAS 7 and IFRS 7, amendments to IAS 12, amendments to IAS 21, amendments to IFRS 9 and IFRS 7. As a result of these amendments, IFRS 19 reflects the amendments to IFRS standards effective until 1 January 2027, which is the date from which IFRS 19 will be applicable.

  The amendments are effective for annual periods beginning on or after 1 January 2027. The amendments to IFRS 19 will not impact the Group's financial statements because IFRS 19 does not apply to public entities.

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates." The amendments to IAS 21 clarify the rules for currency translation in certain situations. When an entity translates data from the functional currency of a non-hyperinflationary economy to the presentation currency of a hyperinflationary economy, it uses the closing rate from the date of the most recent statement of financial position, including comparative data. However, if the presentation currency ceases to be the currency of a hyperinflationary economy, and the functional currency remains the currency of a non-hyperinflationary economy, the entity applies the current requirements of IAS 21 prospectively, without restating the comparative data. Additionally, it is specified that an entity whose functional and presentation currencies are in a hyperinflationary economy should use a general price index in accordance with IAS 29 when restating the comparative data of a foreign entity operating in a non-hyperinflationary economy. The amendments also introduce additional disclosure requirements related to these amendments.

The amendments are effective for annual periods beginning on or after 1 January 2027. The Group continues to assess the impact of the amendments on its financial statements.

Application of a standard or interpretation before its effective date

The Group decided not to use the option of earlier application of the above standards, amendments to standards, and interpretations. The Group will apply the amended standards to the extent of the introduced changes from 1 January 2027, unless a different effective date is provided. The application of the amended standards will not have a material impact on the Group's consolidated financial statements during the period of their initial application.

Description of adopted accounting policies

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for equity instruments to be measured at fair value through other comprehensive income, which are carried at fair value.

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 rate 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:

	31 March 2026	31 December 2025	31 March 2025
PLN/USD	0,2673	0,2777	0,2588

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

	01.01.2026 - 31.03.2026	01.01.2025 - 31.12.2025	01.01.2025 - 31.03.2025
PLN/USD	0,2763	0,2666	0,2517

Uncertainty of estimates

In preparation of the interim 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 Parent Company's management on current actions and events, the actual results may differ from the expectations.

As regards the development works conducted by the Silvair, Inc. Group, two key assumptions have been identified for which there is a significant risk of material adjustments to 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 research work and effective commercialization of the developed products.

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 unknown consequences of the development of the geopolitical and macroeconomic situation 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. This judgment relates to:

- impairment of expenditures for development work (see Note 1.2 and 1.3)
- impairment losses (see Note 1.2, Note 5, Note 6, and Note 7.2)
- revenues from contracts with customers (see Note 22.1)
- provisions (see Note 20.3)
- term 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 quarter of 2026, there were no business combinations or loss of control in the Group.

Information and notes on material changes in the amounts of estimates and selected reporting items of the interim consolidated financial statements

Note 1.1 Costs of development work

Costs of development work (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Completed development work	12 558	13 624	11 731
Development work not yet completed	585	-	728
Total	**13 143**	**13 624**	**12 459**

Note 1.2 Movement in costs of development work

Capitalized expenditures on development work * (amounts in USD thousand)	01.01.2026 - 31.03.2026	01.01.2025 - 31.12.2025	01.01.2025 - 31.03.2025
Gross value at the beginning of the period	**23 911**	**19 949**	**19 949**
Additions, including:	585	3 962	1 253
Expenditures incurred	585	2 425	551
Foreign exchange differences from measurement in presentation currency	-	1 537	702
Reductions, including:	487	-	-
Liquidation and sale	-	-	-
Foreign exchange differences from measurement in presentation currency	487	-	-
Gross value at the end of the period	**24 009**	**23 911**	**21 202**
Accumulated depreciation at the beginning of the period	**10 246**	**8 117**	**8 117**
Additions	592	2 129	502
Reductions	-	-	-
Accumulated depreciation at the end of the period	**10 838**	**10 246**	**8 619**
Impairment losses at the beginning of the period	**41**	**150**	**150**
Additions	-	-	-
Reductions	13	109	26
Impairment losses at the end of the period	**28**	**41**	**124**
Net value at the beginning of the period	**13 624**	**11 682**	**11 682**
Net value at the end of the period	**13 143**	**13 624**	**12 459**

(*) 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.

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. In the opinion of the Board, as at the balance sheet date, there were no premises indicating an additional impairment of expenditures on development work compared to 31 December 2025.

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

At the end of 2025, the Group reviewed the development work from the perspective of the possibility of generating expected economic benefits in the future. In 2019, as a result of the review, the Group identified intangible assets worth USD 693 thousand, which have lost their value as a result of no interest in the market in the products based on these assets and discontinuation of the development of the technology implemented in them. These assets have been covered by an impairment loss in the full amount. As at 31 December 2025, as a result of the review, no new items of this group of assets were identified that would require additional impairment losses.

For the remaining development works with significant value, both under way and completed, impairment tests have been carried out. In order to assess the recoverable amount, individual development works have been grouped into cash generating units.

The impairment tests have been carried out for the following cash generating units:

- Bluetooth Mesh Protocol and Silvair Mesh Stack
- Silvair Platform and Multi ALS

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.

Assumptions adopted for the needs of impairment tests:

- 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 volume 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.

Cash generating unit (amounts in USD thousand)	Value of development work as at 31.03.2026	Recoverable amount
Bluetooth Mesh Protocol and Silvair Mesh Stack	5 289	27 281
Silvair Platform and Multi ALS	7 854	66 293
Total	**13 143**	**93 574**

As at 31 March 2026, the need to recognize new impairment losses for the costs of development work was not identified.

Note 3.7 Right-of-use assets

Right-of-use assets (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Real estate right-of-use assets	240	268	6
Other assets	-	-	-
Total	**240**	**268**	**6**

The assets shown relate to the lease of premises for which the agreements were deemed to meet the criteria for recognizing the right to use assets.

Item (amounts in USD thousand)	01.01.2026 – 31.03.2026	01.01.2025 – 31.12.2025	01.01.2025 – 31.03.2025
Gross value at the beginning of the period	**313**	**33**	**33**
Additions, including:	-	313	-
Acquisition	-	313	-
Foreign exchange differences from measurement in presentation currency	-	-	-
Reductions, including:	-	33	-
Value update (change of contract terms)	-	-	-
Foreign exchange differences from measurement in presentation currency	12	-	-
Gross value at the end of the period	**301**	**313**	**33**
Accumulated depreciation at the beginning of the period	**45**	**23**	**23**
Additions	16	55	4
Reductions	-	33	-
Accumulated depreciation at the end of the period	**61**	**45**	**27**
Net value at the beginning of the period	**268**	**10**	**10**
Net value at the end of the period	**240**	**268**	**6**

As all the right-of-use assets relate to one category (rental of premises), the changes are presented without category breakdown.

Note 5 Deferred tax assets

Deferred tax assets (amounts in USD thousand)	**31.03.2026**	**31.12.2025**	**31.03.2025**
Deferred tax assets at the beginning of the period, including:	**487**	**632**	**632**
through profit or loss	487	632	632
through equity	-	-	-
Additions	**-**	**-**	**39**
through profit or loss	-	-	39
through equity	-	-	-
Reductions	**6**	**145**	**-**
through profit or loss	6	145	-
through equity	-	-	-
Deferred tax assets at the end of the period, including:	**481**	**487**	**671**
through profit or loss	481	487	671
through equity	-	-	-

Deferred tax assets arising from temporary differences resulting from: (amounts in USD thousand)	**31.03.2026**	**31.12.2025**	**31.03.2025**
Accumulated tax losses to be used	2 532	2 562	4 055
Impairment losses on deferred tax assets up to the amount of tax losses available for use in the future (calculation based on the financial budget)	-	-	-524
Total	**2 532**	**2 562**	**3 531**
Deferred tax assets (19%)	**481**	**487**	**671**

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 in the period when particular asset is realized or the provision is released, based on tax rates (and tax legislation) enacted or substantively enacted as 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. There were no grounds for creating new impairment losses.

The recognized deferred tax assets partially cover the loss from 2021 as well as losses from years 2022-2023 and from the first quarter of 2026. The assumptions made regarding the probability of realizing revenues by the Group in subsequent 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. The prevailing 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 above, 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)	31.03.2026	31.12.2025	31.03.2025
Goods for resale	19	26	15
Impairment losses on goods	-11	-12	-15
Total	**8**	**14**	-

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.

In the first quarter of 2026, there were no prerequisites to recognize an additional impairment loss, thus no impairment losses were made on the inventory. The change results from the change in the USD/PLN exchange rate.

Note 7 Trade receivables and other receivables

Trade receivables and other receivables (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
From related entities	-	-	-
From other entities	759	867	850
Impairment losses	-4	-7	-10
Total	**755**	**860**	**840**

Trade receivables and other receivables (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Trade receivables	547	678	716
Other receivables	208	182	124
Total	**755**	**860**	**840**

Note 7.1 Trade receivables

Trade receivables (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
From related entities	-	-	-
From other entities	551	685	726
Impairment losses	-4	-7	-10
Total	**547**	**678**	**716**

Note 7.2 Impairment losses on trade receivables

As at 31 March 2026, the impairment loss on trade receivables amounted to USD 4 thousand. As at 31 December 2025, impairment losses on trade receivables amounted to USD 7 thousand. The change in the impairment loss results from the valuation of receivables covered by a write-down and a write-down 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 from a period of 3 years, adjusted for information on current and forecasted economic conditions.

The applied model is presented in the section ”Description of adopted accounting policies” in the Group's most recent consolidated financial statements for the year ended 31 December 2025. The adopted method of estimating impairment losses is verified by the Group on the basis of data available in subsequent years.

Note 9 Other receivables

Other receivables (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
On taxes and other public benefits	154	104	85
Other receivables	41	44	29
Prepayments and accruals	13	34	10
Impairment losses	-	-	-
Total	**208**	**182**	**124**

Accrued expenses include expenses incurred up to the balance sheet date that relate to future periods. Prepaid expenses as at 31 March 2026 and 31 March 2025 consisted primarily of license fees and insurance policies, which will be recognized in the profit and loss account successively in future periods. Prepaid expenses as at 31 December 2025 consisted primarily of prepaid costs for participation in trade fairs and conferences related to the presentation of the Group's operations, as well as license fees.

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 in the amount of USD 6 thousand. The difference between the item "Net proceeds from the issue of shares and 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 31.03.2026

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	30 788	29 129
Preferred Stock	960 000	96	125	29
Total	**17 547 405**	**1 755**	**30 913**	**29 158**

The par value of one share is USD 0.1.

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. The Group's shareholders do not hold any other voting rights than the rights specified above

Share capital of the Parent Company as at 31.12.2025

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 [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**

Share capital of the Parent Company as at 31.03.2025

Type	Number of shares	Par value (USD '000s)	Share subscription price (USD '000s)	Share premium account (USD '000s)
Common Stock	16 573 890	1 657	30 746	29 089
Preferred Stock	960 000	96	125	29
Total	**17 533 890**	**1 753**	**30 871**	**29 118**

Share capital ownership structure	Number of shares	% of shares	Number of votes (1)	% of votes
Rafał Han	2 031 965	11,59	3 663 965	16,41
Szymon Słupik	1 912 359	10,91	3 557 519	15,93
Krzysztof Januszkiewicz	2 692 059	15,35	2 692 059	12,05
Chris Morawski	2 622 730	14,96	2 622 730	11,74
Adam Gembala	1 018 760	5,81	2 145 520	9,61
Other shareholders holding less than 5% of shares	7 256 017	41,38	7 652 097	34,26
Total	**17 533 890**	**100,00**	**22 333 890**	**100,00**

As at 31 March 2026, out of 17,547,405 issued shares, 17,526,705 shares have been paid in full. As at 31 December 2025, out of 17,547,405 issued shares, 17,519,805 have been paid in full. As at 31 March 2025, out of 17,533,890 issued shares, 17,485,590 shares have been paid in full, and the number of unpaid shares is 48,300.

In 2026 and in 2025, no redemption or repayment of non-equity and equity securities took place.

Note 13 Capital from revaluation of options

Capital from revaluation of options (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Valuation of stock options under IFRS 2	183	183	193
Total	**183**	**183**	**193**

See Note 30 for additional information on valuation of options.

Note 14.1 Share premium account

Share premium account (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Supplementary capital	30 931	30 925	30 891
Total	**30 931**	**30 925**	**30 891**

Note 14.2 Movement in the item Share premium account

Movement in other capital (amounts in USD thousand)	01.01.2026 - 31.03.2026	01.01.2025 - 31.12.2025	01.01.2025 - 31.03.2025
At the beginning of the period	**30 925**	**30 885**	**30 885**
Exercise of stock options for Company shares	6	40	6
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	**30 931**	**30 925**	**30 891**

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 entities

The appearance of the balance sheet item Minority interest transactions is a consequence of transactions that occurred in 2018 and related to the issuance of bonds and 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 31 March 2026, 31 December 2025 and as at 31 March 2025, there was no Equity attributable to Non-Controlling Entities.

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

Other capital (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Minority interest transactions	-365	-365	-365
Capital from foreign exchange differences on translation of foreign entities	1 785	2 276	1 400
Total	**1 420**	**1 911**	**1 035**

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)	31.03.2026	31.12.2025	31.03.2025
Accumulated losses from previous years	-25 084	-25 599	-25 599
Financial result of the current period	-336	515	171
Total	**-25 420**	**-25 084**	**-25 428**

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 by 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:	**31.03.2026**	**31.12.2025**	**31.03.2025**
Weighted average number of parent company's shares in the period	17 478 690	17 527 575	17 466 757
Diluting options, including:	2 616 359	4 936 386	6 034 995
on account of the option plan	618 608	561 726	373 145
on accounts of bonds	1 997 751	4 374 660	5 661 850
Weighted average number of parent company's shares in the period after diluting options	20 095 049	22 463 961	23 501 752
Continued operations			
Earnings/(loss) per share (USD) - weighted average number of shares	-0,02	0,03	0,01
Diluted earnings/(loss) per share (USD)	-0,02	0,02	0,01
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	-0,02	0,03	0,01
Diluted earnings/(loss) per share (USD)	-0,02	0,02	0,01

Note 17 Deferred tax liabilities

Deferred tax liabilities (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Deferred tax liabilities at the beginning of the period, including:	**-**	**4**	**4**
through profit or loss	-	4	4
through equity	-	-	-
Additions, including:	-	-	-
through profit or loss	-	-	-
through equity	-	-	-
Reductions, including:	**-**	**4**	**1**
through profit or loss		4	1
through equity	-	-	-
Deferred tax liabilities at the end of the period, including:	**-**	**-**	**3**
through profit or loss	-	-	3
through equity	-	-	-

Deferred tax liabilities arising from temporary differences resulting from: (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
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)	31.03.2026	31.12.2025	31.03.2025
Long-term	170	194	-
Short-term	72	74	6
Total	**242**	**268**	**6**

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. Repayment of the interest part in the reporting period amounted to USD 2 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 20.1.1 Liabilities on bonds convertible to shares

Liabilities on bonds convertible to shares (amounts in USD thousand)	**01.01.2026 - 31.03.2026**	**01.01.2025 - 31.12.2025**	**01.01.2025 - 31.03.2025**
At the beginning of the period	4 192	3 910	3 910
Additions	616	282	44
Reductions	-	-	-
Total	**4 808**	**4 192**	**3 954**

Bonds convertible to shares (amounts in USD thousand)	**31.03.2026**	**31.12.2025**	**31.03.2025**
Par value of issued bonds	4 270	3 700	3 600
Interest costs	538	492	354
Interest paid	-	-	-
Bond liabilities	**4 808**	**4 192**	**3 954**

Other liabilities (non-current) (amounts in USD thousand)	**31.03.2026**	**31.12.2025**	**31.03.2025**
Bonds convertible to shares	-	1 000	3 350
Interest on bonds convertible to shares	-	88	328
Total	**-**	**1 088**	**3 678**

Other liabilities (current) (amounts in USD thousand)	31.03.2026	31.12.2025	31.03.2025
Bonds convertible to shares	4 270	2 700	250
Interest on bonds convertible to shares	538	404	26
Total	**4 808**	**3 104**	**276**

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.

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.

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

As at 31 March 2026, 31 December 2025 and 31 March 2025, the Group had no other contingent liabilities. As at 31 March 2026, 31 December 2025 and 31 March 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 transactions.

Note 20.3 Other short-term provisions

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.

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 value of the recognized provision amounts to PLN 320,604.88 (USD 86 thousand). The change in the amount of the provision results from the increase in possible interest payable due to the passage of time from the date of receipt of the subsidy to 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 at the date of publication, no new information has been received on this matter.

In 2026, the Group did not recognize any other new provisions for liabilities. 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. The bonus payment for 2025 was made together with the payment of salaries for March 2026.

Other short-term provisions (amounts in USD thousand)	**31.03.2026**	**31.12.2025**	**31.03.2025**
Provisions for unused vacation time	66	52	58
Provision for bonuses	-	41	-
Provisions for disputes	86	90	78
Total	**152**	**183**	**136**

Provisions for unused vacation time (amounts in USD thousand)	**31.03.2026**	**31.12.2025**	**31.03.2025**
At the beginning of the period	**52**	**45**	**45**
Additions	14	16	15
Reductions	-	9	2
At the end of the period	**66**	**52**	**58**

Estimates:

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. The percentage rate of social security charged to the employer was adopted at the level of 20.98% for years 2025-2026, taking into account contributions to PPK (Employee Capital Plan).

Note 20.4 Liabilities from contracts with customers

Liabilities from contracts with customers (amounts in USD thousand)	01.01.2026	Additions	Reductions	31.03.2026
Maintenance services for Silvair Platform	683	187	144	726
Maintenance services for Silvair Mesh Stack	7	-	4	3
Total	**690**	**187**	**148**	**729**

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	31.03.2025
Maintenance services for Silvair Platform	546	201	104	643
Maintenance services for Silvair Mesh Stack	7	1	3	5
Total	**553**	**202**	**107**	**648**

As at 31 March 2026, 31 December 2025 and as at 31 March 2025, the Group identified liabilities associated with maintenance agreements. The payment terms specified in the agreements do not exceed 60 days. Elements such as obligations to accept returns or to refund the fees 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.

Note 21 Prepayments and accruals

Prepayments and accruals (amounts in USD thousand)	01.01.2026	Additions	Reductions	31.03.2026
Financing under the Smart Growth Operational Program (1)	311	-	21	290
NCBiR subsidy for fixed assets	136	-	22	114
Total	**447**	**-**	**43**	**404**

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**

Prepayments and accruals (amounts in USD thousand)	**01.01.2025**	**Additions**	**Reductions**	**31.03.2025**
Financing under the Smart Growth Operational Program	308	18	9	317
NCBiR subsidy for fixed assets	178	10	15	173
Total	**486**	**28**	**24**	**490**

Note 22.1 Sales revenues

Sales revenues (amounts in USD thousand)	**31.03.2026**	**31.03.2025**
Revenues from sales of products	581	912
Revenues from sales of goods and services	152	121
Total	**733**	**1 033**

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 uploading the firmware, and firmware 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 activation keys for the firmware and install it 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 (amounts in USD thousand)				**01.01.2026 - 31.03.2026**
Product/service type	**CSA agreements**	**SLS agreements**	**Other agreements**	**Total**
Firmware license	-	206	-	206
Activation	347	-	28	375
Development	-	-	-	-
Maintenance	53	-	-	53
Other	73	15	11	99
Total	**473**	**221**	**39**	**733**
Delivery date				
At the time	395	206	-	601
Over time	109	15	8	132
Total	**504**	**221**	**8**	**733**

Breakdown of revenues from contracts with customers (amounts in USD thousand)				**01.01.2025 - 31.03.2025**
Product/service type	**CSA agreements**	**SLS agreements**	**Other agreements**	**Total**
Firmware license	-	309	-	309
Activation	603	-	-	603
Development	-	-	-	-
Maintenance	65	-	-	65
Other	40	16	-	56
Total	**708**	**325**	**-**	**1 033**
Delivery date				
At the time	618	311	-	929
Over time	90	14	-	104
Total	**708**	**325**	**-**	**1 033**

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 - 31.03.2026	01.01.2025 - 31.03.2025
Revenues from sales of products, including:	**581**	**912**
domestically	-	-
within the European Union	248	463
in third countries	333	449
Revenues from sales of services and goods, including:	**152**	**121**
domestically	-	-
within the European Union	47	24
in third countries	105	97
Total	**733**	**1 033**

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 uniqueness 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
- Smart Building Management

In the reporting period, the Group earned revenues only in the Lighting Control segment. The Group continues work on product development in other segments and expects to realize respective revenues in the following years.

General and administrative expenses, selling and distribution expenses, other operating income, 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 unallocated to segments.

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

Operating segment information from 01.01 to 31.03.2026 (amounts in USD thousand)	Lighting Control	Items not allocated to segments	Total
Revenues and expenses			
Sales to external customers	733	-	733
Inter-segment sales	-	-	-
Cost of sales	579	-	579
Income and expenses (operating and other operating)	26	-455	-429
EBIT	**180**	**-455**	**-275**
Net financial income (costs)	-	-54	-54
Share in profits of associates	-	-	-
Gross profit	**180**	**-509**	**-329**
Income tax (current and deferred)	-	7	7
Net profit for the reporting period	**180**	**-516**	**-336**
Assets			
Costs of development work (carrying amount of assets)	13 143	-	13 143
Receivables	547	-	547
Unallocated assets	-	2 075	2 075
Total assets			**15 765**
Liabilities			
Financial liabilities	-	5 050	5 050
Liabilities from contracts with customers	729	-	729
Unallocated liabilities	-	1 117	1 117
Total liabilities	**-**	**-**	**6 896**
Other information			
Depreciation and amortization	579	38	617

Operating segment information from 01.01 to 31.03.2025 (amounts in USD thousand)	Lighting Control	Items not allocated to segments	Total
Revenues and expenses			
Sales to external customers	1 033	-	1 033
Inter-segment sales	-	-	-
Cost of sales	473	-	473
Income and expenses (operating and other operating)	24	-358	-334
EBIT	**548**	**-358**	**226**
Net financial income (costs)	-	-95	-95
Share in profits of associates	-	-	-
Gross profit	**-584**	**-453**	**131**
Income tax (current and deferred)	-	-40	-40
Net profit for the reporting period	**584**	**-4 136**	**171**
Assets			
Costs of development work (carrying amount of assets)	12 459	-	12 459
Receivables	716	-	716
Unallocated assets	-	1 190	1 190
Total assets			**14 365**
Liabilities			
Financial liabilities	-	3 954	3 954
Liabilities from contracts with customers	648	-	648
Unallocated liabilities	-	1 319	1 319
Total liabilities			**5 921**
Other information			
Depreciation and amortization	473	17	490

Information about segments broken down by regions, product lines and recognition time (amounts in USD thousand)			**01.01.2026 - 31.03.2026**
Segment type	**Lighting Control**	**Items not allocated to segments**	**Total**
Region			
European Union	295	-	295
Other countries	438	-	438
Poland	-	-	-
Total	**733**	**-**	**733**
Product/service type			
Firmware license	206	-	206
Activation	375	-	375
Development	-	-	-
Maintenance	53	-	53
Components	91	-	91
Other	8	-	8
Total	**733**	**-**	**733**
Delivery date			
At the time	601	-	601
Over time	132	-	132
Total	**733**	**-**	**733**

Information about segments broken down by regions, product lines and recognition time (amounts in USD thousand)			01.01.2025 - 31.03.2025
Segment type	**Lighting Control**	**Items not allocated to segments**	**Total**
Region			
European Union	487	-	487
Other countries	546	-	546
Poland	-	-	-
Total	**1 033**	**-**	**1 033**
Product/service type			
Firmware license	309	-	309
Activation	603	-	603
Development	-	-	-
Maintenance	65	-	65
Other	56	-	56
Total	**1 033**	**-**	**1 033**
Delivery date			
At the time	929	-	929
Over time	104	-	104
Total	**1 033**	**-**	**1 033**

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 Parent company 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 Company'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 at 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	34 500

Option exercise structure in the period	01.01.2026 - 31.03.2026	01.01.2025 - 31.03.2025
Pool of shares under the Option Plan	2 500 000	2 500 000
Number of shares available under the Option Plan at the beginning of the period	**451 498**	**6 698**
Increase of the pool of shares under the Option Plan	-	500 000
Number of shares granted under concluded option agreements	-	55 200
Number of shares taken up in exercise of the options	6 900	6 900
Number of shares remaining to be taken up in subsequent periods under concluded option agreements	162 569	203 684
Number of shares released upon expiration of options	-	-
Number of shares to be granted under further option agreements at the end of the period	**451 498**	**451 498**

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 - 31.03.2026	01.01.2025 - 31.03.2025
Management costs	6	17
Capital from revaluation of options	6	17

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 - 31.03.2026	01.01.2025 - 31.03.2025
Other capital	6	6
Capital from revaluation of options	-6	-11

The change in capital from revaluation of options in the period between 01.01.2026 and 31.03.2026 results from the exercise of 6,900 stock options and revaluation of the remaining options in the vesting period. The total amount of shares taken up in performance of option contracts in the reporting period was USD 6.9 thousand.

The change in capital from revaluation of options in the period between 01.01.2025 and 31.03.2025 resulted from the exercise of 6,900 stock options and revaluation of the remaining options in the vesting period. The total amount of shares taken up in performance of option contracts in the reporting period was USD 6.9 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

General Meeting of Shareholders

The General Meeting of Shareholders of Silvair, Inc. ("General Meeting") was held on 23 April 2026. The General Meeting considered and adopted resolutions regarding: amending the Company's Articles of Association to increase the target number of Common Shares; amending the Company's Articles of Association to incorporate the provisions of Delaware law regarding executive indemnification; and extending the term of the Company's 2016 Stock Plan. All of the above resolutions were adopted by a majority vote of the shareholders.

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 specific 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, a new client 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 fulfill 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 bonds, stock issue addressed to existing shareholders and a group of new investors, and research and development support programs (subsidies).

The Company 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 31.03.2026 (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	-	-	4 808	-	-
Trade liabilities	3	256	-	-	-
Lease liabilities	-	18	54	170	-
Total	**3**	**274**	**4 862**	**170**	**-**

The measurement at amortized cost does not differ materially from the carrying amounts. The discount value for bond liabilities amounts to USD 9 thousand.

Financial liabilities by maturity date as at 31.03.2025 (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	-	-	276	3 678	-
Trade liabilities	3	268	-	-	-
Lease liabilities	-	4	2	-	-
Total	**3**	**272**	**278**	**3 678**	

The measurement at amortized cost does not differ materially from the carrying amounts. The discount value for bond liabilities amounts to USD 11 thousand.

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. The Group monitors the currency rates. When significant revenues appear and the current liquidity situation improves, 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 volatile 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 Boards of the subsidiaries. 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,
- fulfill 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)	31.03.2026 fair value	31.03.2026 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	547	547	-	-	547	-
Cash	1 107	1 107	-	-	1 107	-

Financial liabilities by balance sheet item (amounts in USD thousand)	31.03.2026 fair value	31.03.2026 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					
Financial leasing	242	242	-	242	-
Debt securities	4 808	4 808	-	4 808	-
Trade liabilities	259	259	-	259	-

Financial assets by balance sheet item (amounts in USD thousand)	31.03.2025 fair value	31.03.2025 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	761	761	-	-	761	-
Cash	344	344	-	-	344	-

Financial liabilities by balance sheet item (amounts in USD thousand)	31.03.2025 fair value	31.03.2025 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					
Debt securities	3 954	3 954	-	3 954	-
Trade liabilities	271	271	-	271	-

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

For the period from 01.01.2026 to 31.03.2026

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	-	14	-	-	14
Cash and cash equivalents	C	-	-13	-	-	-13
Total		**-**	**1**	**-**	**-**	**1**
Financial liabilities						
Leases	F	-2	-	-	-	-2
Bond liabilities	F	-47	-	-	-	-47
Trade liabilities	F	-	-6	-	-	-6
Total	**-**	**-49**	**-6**	**-**	**-**	**-55**

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 01.01.2025 to 31.03.2025

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	-	-30	5	-	-25
Cash and cash equivalents	C	-	-5	-	-	-5
Total		**-**	**-35**	**5**	**-**	**-30**
Financial liabilities						
Leases	F	-	-	-	-	-
Bond liabilities	F	-44	-	-	-	-44
Trade liabilities	F	-	-16	-	-	-16
Total		**-44**	**-16**	**-**	**-**	**-60**

Sensitivity analysis

As at 31 March 2026 and as at 31 March 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 reasonable 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 01.01.2026 – 31.03.2026

The tables depict the effects of fluctuations in the USD/PLN exchange rates, i.e. 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	547	-25	-	25	-
Cash, including:	1 107	-30	-	30	-
Cash in bank	1 106	-30	-	30	-
Financial liabilities					
Financial leasing	242	24	-	-24	-
Trade liabilities	259	26	-	-26	-

Currency risk 01.01.2025 – 31.03.2025

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	716	-37	-	37	-
Cash, including:	344	-20	-	20	-
Cash in bank	343	-20	-	20	-
Financial liabilities					
Trade liabilities	271	41	-	-41	-

Financial instruments by currency

As at 31.03.2026

Financial assets (amounts in thousands)	USD	PLN	EUR	Total
Interest and shares	-	-	-	-
Trade receivables	296	-	251	547
Cash and cash equivalents, including:	805	46	256	1 107
Cash in bank	805	45	256	1 106
Financial liabilities (amounts in thousands)				
Bank loans and borrowings	-	-	-	-
Financial leasing	-	242	-	242
Bond liabilities	4 808	-	-	4 808
Trade liabilities	116	143	-	259

As at 31.03.2025

Financial assets (amounts in thousands)	USD	PLN	EUR	Total
Interest and shares	-	-	-	-
Trade receivables	355	2	359	716
Cash and cash equivalents, including:	146	29	169	344
Cash in bank	146	28	169	343
Financial liabilities (amounts in thousands)	**USD**	**PLN**	**EUR**	**Total**
Bank loans and borrowings	-	-	-	-
Financial leasing	6	-	-	6
Bond liabilities	3 954	-	-	3 954
Trade liabilities	133	138	-	271

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 31 March 2026, Silvair Sp. z o. o. posted a liability on account of the loan from Silvair, Inc. in the amount of PLN 2.6 million (USD 693 thousand).

  As at 31 December 2025, Silvair Sp. z o. o. posted a liability on account of the loan from Silvair, Inc. in the amount of PLN 2.8 million (USD 790 thousand).

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

  As at 31 March 2026 and 31 December 2025, Silvair, Inc. had interest accrued on the loan in the amount of USD 1 thousand to repay. At this moment, Silvair, Inc. does not anticipate any circumstances in which it will draw further tranches of the loans.

Trade settlements within the Group.

As at 31 March 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 condensed 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 the key personnel of the entities, nor did they enter into significant transactions with the Companies in the Group.

Transactions with the key management personnel and shareholders

In the reporting period, no transactions were concluded with the key management personnel or with shareholders.

Supplementary information to the quarterly report of the Silvair, Inc. Group

Commentary on financial results

- **One million installed devices with Silvair technology**

The first quarter of 2026 saw a significant increase in the number of installed devices compared to the first quarter of the previous year, demonstrating continued momentum in the adoption of our solutions in key markets. Shortly after the end of the reporting period, the Group surpassed one million installed devices since the commercialization of Silvair technology, marking a symbolic milestone in its business development. While production levels for devices using Silvair technology in the first quarter of this year were lower than last year, April production data indicate a clear rebound in this area and continued strong growth trends. Further confirmation of the Group's dynamic development was Silvair's inclusion in the top 100 of the Financial Times' "*The Americas' Fastest Growing Companies 2026*" ranking.

- **Development of a new data platform and strengthening the position in the Enterprise segment**

The Enterprise segment remains one of the most important areas of the Group's strategic development. In the first quarter of 2026, the majority of development work focused on the Silvair Cloud Gateway solution, which will form the foundation for a new generation of services based on data from smart building networks. The platform being developed is intended to enable easier and more cost-effective access to building data, supporting the development of new service models for commercial property owners and managers. In parallel, we worked on the development and market implementation of key functionalities for the Enterprise segment, including integration with building management systems (BMS), a solution for automatic testing of emergency lighting systems (ELT), and integration with heating, ventilation, and air conditioning (HVAC) systems.

- **Bluetooth NLC with growing interest in the HVAC segment**

In the first quarter of 2026, the Bluetooth NLC standard continued its development as an open and interoperable platform for modern building technologies. The integration of HVAC systems with lighting control networks based on the specification published by Bluetooth SIG last year generated significant market interest. Following a series of pilot projects conducted in previous quarters, mwConnect – a long-time Silvair partner – introduced the first thermostat compliant with the latest Bluetooth NLC specification.

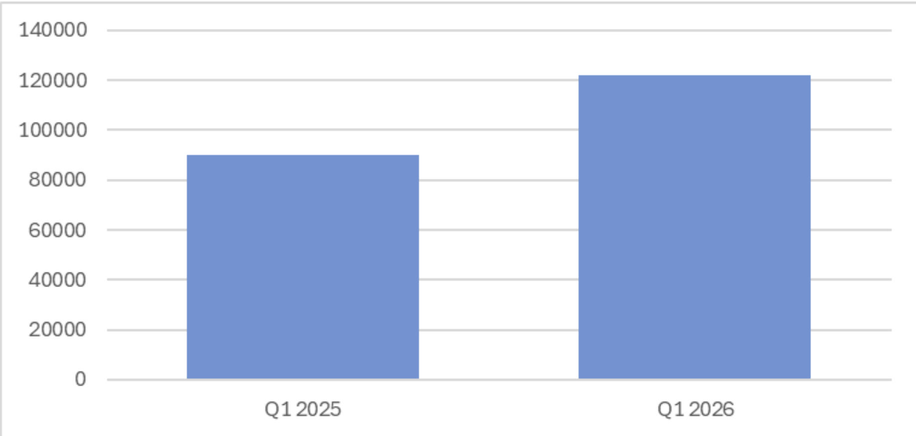
- **Development of the automatic emergency lighting testing segment**

Silvair's solution for automated emergency lighting testing (ELT) remains one of the Group's key development directions. In the first quarter of 2026, intensive work continued with partners developing new products based on Silvair technology. These activities are a natural continuation of the partnerships announced at the end of last year, including at the Hong Kong International Lighting Fair. Development work conducted in the first quarter on the Silvair Cloud Gateway solution aims to increase the availability and cost-effectiveness of the most advanced, fully automated version of our ELT solution.

One million installed devices

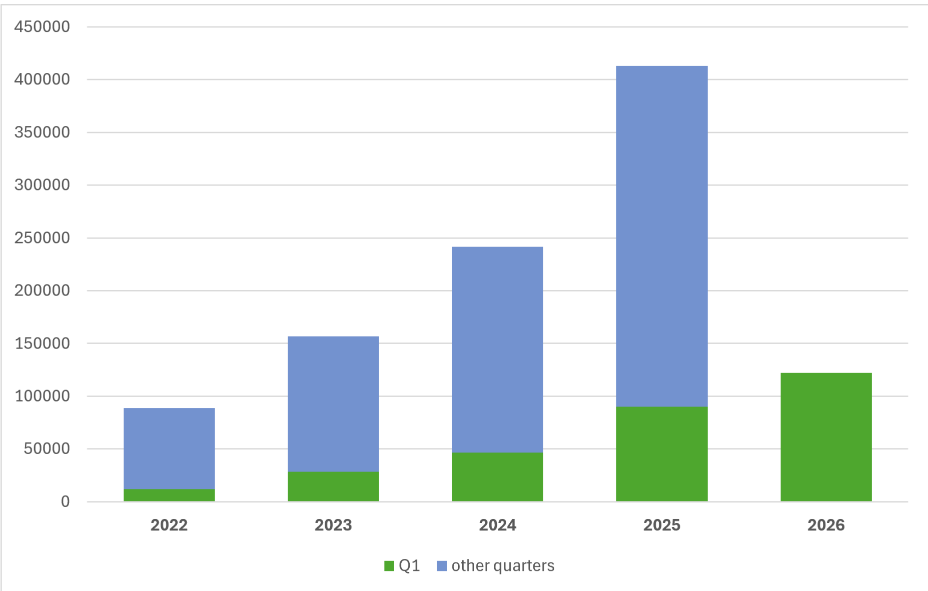
In the first quarter of 2026, the number of devices with Silvair technology installed in commercial projects exceeded 122 thousand, compared to nearly 90 thousand in the same period last year. This number is the most important indicator reflecting the scale of the Group's operations, as it best illustrates the pace of market adoption of Silvair technology and the actual use of our solutions by end customers.

Number of devices with Silvair technology installed in the first quarters of 2025 and 2026



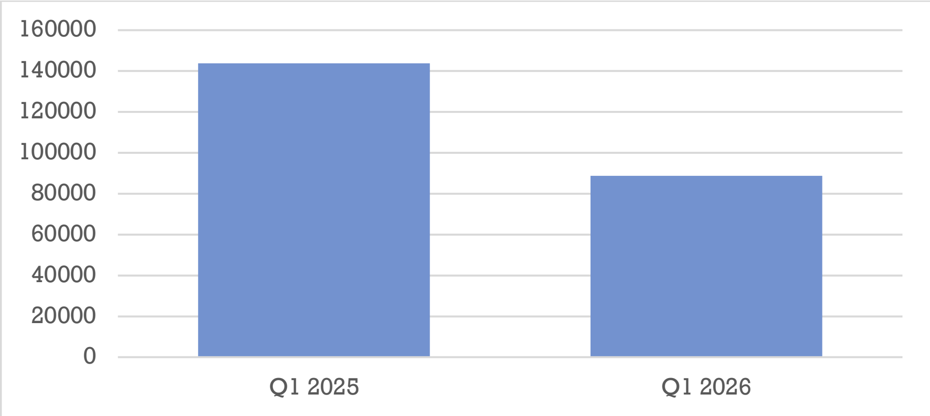
Shortly after the end of the reporting period, the Group surpassed the symbolic milestone of one million installed devices since the beginning of commercialization. This means that over one million devices operating in commercial projects worldwide are managed using the Silvair platform and technology. We see this as a significant milestone, confirming the scale of our business development and the growing importance of our technology in the modern building systems sector. Furthermore, in April of this year, the number of installed devices exceeded 49 thousand, setting a new monthly record.

**Number of devices with Silvair technology installed
in subsequent years, with the first quarters highlighted**



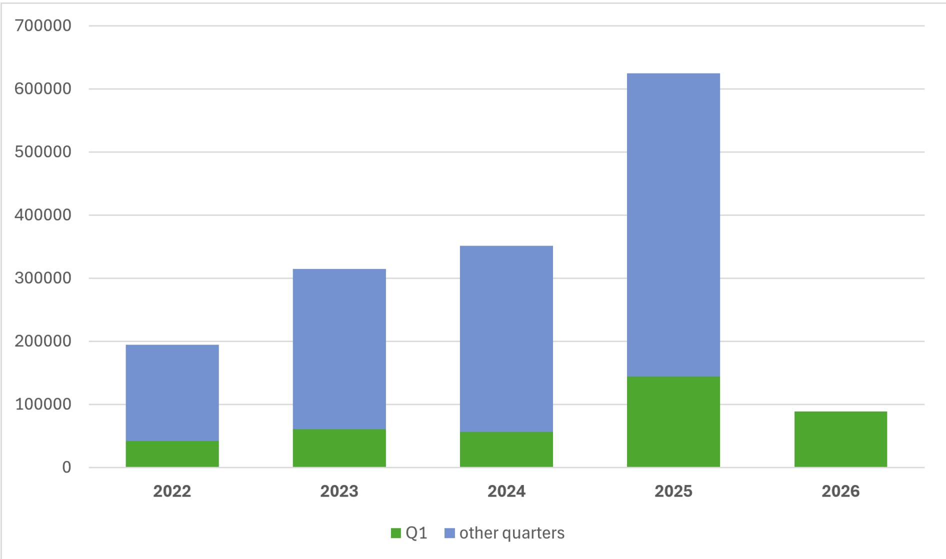
In the first quarter of 2026, the Group's partners manufactured nearly 89 thousand devices with Silvair technology, compared to 144 thousand devices produced during the same period last year. The lower production level compared to the exceptionally strong first quarter of 2025 is the result of a temporary adjustment in inventory levels following a period of intensive inventory buildup in previous quarters. Last year, many partners increased component inventory levels in response to heightened market uncertainty, tensions related to trade policy, and the risk of further escalation of the tariff war between the United States and China. In the first quarter of 2026, we observed a gradual reduction of previously accumulated inventory levels.

Number of devices with Silvair technology manufactured in the first quarters of 2025 and 2026



In our opinion, the observed correction is temporary, and long-term growth trends remain very strong. This is confirmed by both the increases in the number of installed devices and production data recorded after the end of the reporting period. In April of this year, the number of manufactured devices reached over 65 thousand units, indicating a clear rebound in production activity.

Number of devices with Silvair technology manufactured in subsequent years, with the first quarters highlighted



A noteworthy confirmation of the Group's dynamic development over recent years is Silvair's inclusion in the top 100 of the Financial Times' "*The Americas' Fastest Growing Companies 2026*" ranking, which includes the fastest-growing companies in both Americas. We view this distinction as confirmation of the effectiveness of our development strategy and the Group's growing scale of operations in the modern building technologies market.

Development of a new data platform and strengthening the position in the Enterprise segment

The Enterprise segment remains one of the most important areas of the Group's strategic development. It is in this segment that the advantages of our technology, related to scalability, interoperability, and the ability to integrate various building systems within a single communication infrastructure, are most evident. Enterprise customers increasingly expect not only energy-efficient lighting control but also access to building data, automation of operational processes, and the ability to integrate with central building management systems. This direction remains fully consistent with the Group's long-term strategy and the observed development trends in the Proptech market.

In the first quarter of 2026, the vast majority of the Group's development work focused on the Silvair Cloud Gateway solution, which will form the foundation for a new generation of services based on data from smart building networks. The platform being developed is intended to enable easier, more scalable, and cost-effective access to data collected by devices operating in Bluetooth NLC networks, which should translate into broader use of services such as energy consumption monitoring, space occupancy monitoring, or fully automated emergency lighting testing.

The Silvair Cloud Gateway is intended to ultimately replace the Silvair Gateway device currently used for network data collection. A key objective of this migration is to increase supply chain predictability for Group partners and improve device availability. In practice, it will also enable partners to more easily implement data-driven services regardless of the project's scale.

In parallel, we continued to develop services and functionalities particularly relevant to the Enterprise segment, including integration with building management systems (BMS), a solution for automated emergency lighting testing (ELT), and integration with heating, ventilation, and air conditioning (HVAC) systems. These areas remain crucial for corporate clients, who increasingly expect comprehensive, interoperable solutions encompassing various elements of building infrastructure.

We're seeing very positive market reception for the Silvair BACnet Gateway solution. The device, which enables integration of lighting control networks with a centralized building management system (BMS), received the appropriate certifications and was introduced to our offering in the second half of last year. Following a period of pilot implementations, the commercial implementation phase began. These initial implementations allowed us to gather valuable operational experience and optimize the solution implementation process to meet the needs of new customers and partners.

Bluetooth NLC with growing interest in the HVAC segment

In the first quarter of 2026, the Bluetooth NLC standard continued its development as an open and interoperable communication platform for modern building technologies. The standard's applications are increasingly expanding beyond its traditional lighting control focus, particularly in the context of integrating heating, ventilation, and air conditioning (HVAC) systems. Solutions enabling these systems to interoperate with Bluetooth NLC networks are generating growing market interest.

Silvair is at the forefront of this technological development. Last year, the Group was the first to release a qualified software stack compliant with the new Bluetooth NLC specification for integrating HVAC systems with lighting control networks. In the first quarter of 2026, mwConnect, a long-term Silvair partner, finalized work on commercializing devices using this technology. The company introduced a smart thermostat compliant with the latest Bluetooth NLC specification. We expect that integration between HVAC installations and lighting control systems will become one of the most common ways to increase energy efficiency in commercial spaces in the near future.

The growing interest in the Bluetooth NLC standard, both for lighting control and broader building automation, was clearly evident at the most important industry events in the first quarter. Of particular significance was the Light+Building trade fair in Frankfurt, Europe's largest event dedicated to lighting and building solutions. Bluetooth NLC was among the most discussed topics related to interoperability and standards in building technologies.

At the same time, changes in the market's approach to lighting control system architecture and building technologies are increasingly visible at industry events. More and more manufacturers, integrators, and end customers are highlighting the risks associated with proprietary technology ecosystems and vendor dependence. In this context, open standards such as Bluetooth NLC are seen as more future-proof solutions, ensuring greater interoperability, flexibility, and long-term reliability. Data security and compliance with European cybersecurity and privacy regulations are also important, fueling interest in platforms developed based on transparent and open technology models.

Further development of the standard is supported by the Bluetooth SIG, which plans further initiatives to promote Bluetooth NLC technology in global markets in 2026. One such event will be the Bluetooth Asia conference, scheduled for late April in Shenzhen, China. Among the speakers is Szymon Słupik, CTO of Silvair, who will be presenting at the event as an expert in Bluetooth NLC technology.

Development of the automatic emergency lighting testing segment

Silvair's solution for automated emergency lighting testing (ELT) remains one of the Group's key development directions and an important element of its comprehensive platform for building technologies. This segment is growing in line with growing regulatory requirements for building safety and the increasing market demand for automated maintenance processes for technical infrastructure in commercial spaces.

In most countries, applicable regulations require regular testing of emergency lighting systems and the maintenance of detailed documentation confirming compliance with safety standards. In practice, the traditional model requires regular manual testing and time-consuming maintenance activities at each facility. The Silvair solution automates this process, enabling remote testing, infrastructure monitoring, and the generation of reports compliant with regulatory requirements. For large installations, this significantly reduces operating costs and significantly simplifies the process of building infrastructure maintenance.

In the first quarter of 2026, we continued our intensive work with partners developing new products based on Silvair technology. These activities are a natural continuation of the collaborations initiated in the second half of last year, including at the Hong Kong International Lighting Fair. The first quarter of 2026 was a period of intensive development, testing, and preparation for the commercialization of new products. As with other new partnerships, the Group remains actively involved in the implementation process, supporting partners in technology integration, solution validation, and ensuring product compliance with market requirements.

Work on the Silvair Cloud Gateway solution, conducted in the first quarter, is also a key element in the segment's continued development. The platform under development aims to ultimately increase the availability and cost-effectiveness of the most advanced ELT services, enabling easier implementation of fully automated solutions in projects of all scales. In our opinion, the combination of increasing regulatory requirements, as well as the need to optimize operating costs and further develop existing building technologies, create a very solid foundation for further growth in this segment in the coming years. ELT solutions often pave the way for larger commercial projects, as corporate clients increasingly seek comprehensive platforms capable of natively supporting functions related to building safety and automated regulatory compliance reporting.

Factors that the issuer believes will affect its financial performance at the least within the next quarter

In the opinion of the Issuer's Board, the Group's financial performance in the coming periods will be affected by the following external and internal factors:

- macroeconomic and geopolitical situation in the world,
- increase in prices of energy resources and global energy prices,
- pace of adoption of the Bluetooth Mesh standard by the market,
- systematic development work enabling the commercialization of new products and the strengthening of competitive advantage.

Extraordinary events in terms of their type, value or frequency having material effect on the financial statements

No unusual events affecting the financial statements occurred in the reporting period.

Seasonality or cyclicality of the Group's operations

The activities of the Silvair, Inc. Group are not subject to seasonality or cyclicality.

Provisions and charges, including impairment losses

In the period from 1 January to 31 March 2026, there were no indications for recognizing new impairment losses for assets or for reversing the existing ones. In the first quarter of 2026, there were also no indications for recognizing provisions for new liabilities. Information on the level of prior charges and provisions is provided in the section entitled "Information and notes on material changes in the amounts of estimates and selected reporting items".

Litigation

No new litigation was launched in the period from 1 January to 31 March 2026.

As at the date of preparation of this report, the Group is not a party to any major litigation proceedings, either as a plaintiff or a defendant, in which the value of the dispute would exceed 5% of the Group's equity.

Material liabilities resulting from the purchase of property, plant and equipment

As at 31 March 2026 and as at 31 March 2025, none of the Group's companies had any liabilities on account of purchases of property, plant and equipment.

Information on changes in economic and business conditions having material effect on the fair value of financial assets and financial liabilities of the entity, regardless of whether these assets and liabilities are recognized at fair value or adjusted acquisition price (amortized cost)

In the reporting period and in the corresponding period of the previous year, no changes occurred in the economic situation and business conditions that would materially affect the fair value of financial assets and financial liabilities presented in the Group's consolidated financial statements. No other information was received that could materially affect the assessment of the assets, financial position and financial result.

Instances of default on loans and borrowings or breaches of material provisions of loan and borrowing agreements in respect of which no corrective measures were taken until the end of the reporting period

As at 31 March 2026 and as at 31 March 2025, the Group had no outstanding loans or borrowings, did not breach any material provisions of a loan agreement, and did not breach any material provisions of a loan or credit agreement with respect to which no corrective actions were taken until the end reporting period.

Statement of ownership of the issuer's shares or rights to such shares by the persons managing and supervising the issuer as at the delivery date of the quarterly report, with identification of changes in ownership in the period after the publication of the previous periodic report, for each person separately

Share capital ownership structure	As at 01.01.2026	Acquisition	Disposal	As at 19.05.2026
Rafał Han	2 031 965	-	-	2 031 965
Szymon Słupik	1 912 359	-	-	1 912 359
Adam Gembala	1 018 760	-	-	1 018 760
Christopher Morawski	2 622 730	-	-	2 622 730

The par value of one share is USD 0.1.

Information on changes in classification or valuation of financial instruments

Note 33 of this report presents the classification of financial instruments according to IFRS 9. No changes in measurement methods for financial instruments, especially those measured at fair value, were made in the first quarter of 2026. In the reporting period, no changes were also made to the classification of financial assets.

The Board's position on the possibility of achieving the previously published forecasts and performance of the Group at least in the next quarter of the financial year

The Silvair Group did not publish any projections for 2026, including projections for the first quarter of 2026.

Information on dividend paid or declared, in total and per share, broken down into ordinary and preferred stock

In the reporting period, the Issuer did not pay or declare payment of dividend.

Information on the issuance, redemption and repayment of non-equity and equity securities

No such transactions were concluded in the reporting period.

Information on issuer or its subsidiary entering into one or several related party transactions on non-market terms

No such transactions were concluded. Information on related party transactions is presented in Note 38.

Rafał Han

Chief Executive Officer (CEO)

Szymon Słupik

Chief Technology Officer (CTO),
President of the Board of Directors

Adam Gembala

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

Christopher Morawski

Director