



April 28, 2023

Mr. Charles Federman
Chief Executive Officer
SilverSpac, Inc.
7 World Trade Center, 250 Greenwich St, 10th FL
New York, NY 10007

Mr. Federman:

We are providing the enclosed Passive Foreign Investment Company (“PFIC”) Annual Information Statement for SilverSpac, Inc. (“the Company”) for the year ended December 31, 2022.

The Company is a blank check company, with no current active business. Based on the analysis performed, The Company meets the PFIC asset and income test for the current taxable year. However, pursuant to a start-up exception, a corporation will not be a PFIC for the first taxable year the corporation has gross income (the “start-up year”), if (1) no predecessor of the corporation was a PFIC; (2) the corporation satisfies the IRS that it will not be a PFIC for either of the two taxable years following the start-up year; and (3) the corporation is not in fact a PFIC for either of those years.

The PFIC statement attached takes the position that The Company is a PFIC for U.S. federal income tax purposes from January 1, 2022 to December 31, 2022, the IPO period. As a result, a U.S. investor in the current taxable year is considered a U.S. shareholder in a PFIC.

A U.S. shareholder is subject to the rules contained in Sections 1291 through 1298 of the Internal Revenue Code. A U.S. investor may elect to treat the arrangement as a “qualified electing fund” or QEF pursuant to Section 1295(b) of the Code with respect to the shareholder’s ownership interest in the PFIC. Once a QEF election is made, the election applies to all subsequent years.

Should an investor follow appropriate procedures and make a QEF election in the current year or, if applicable, an investor has made a QEF election in a prior year, the investor is taxed on the investor’s proportionate share of earnings computed under U.S. tax principles for each year in which the fund is a PFIC. An electing U.S. investor reports the share of earnings from the PFIC by filing IRS Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.

The amounts reflected on the enclosed PFIC Annual Information Statement represent the Company’s ordinary earnings and net capital gain income for the tax year (“Reported Amounts”). As an investor, if a QEF election is effective, you should pick up your pro rata share of Company’s income for the number of days during the year that you held the investment.

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An investor who has made a QEF election may elect to defer paying the tax on the undistributed income of the PFIC, if any, on Form 8621. If this election is made under Section 1294 of the Code, the investor will be subject to an interest charge on the deferred tax. It is suggested that the investors consult with their tax advisors and the offering documents to determine whether to make a QEF election with respect to the ownership interest in Company.

The annual PFIC statement was prepared from information provided by you. Please review the information presented. If you note anything which may require a change, please contact us before issuing the statement to your investors.

Tax or Professional advice contained in or in accompanying this document, unless otherwise specifically stated, is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue code, or (ii) promoting, marketing, or recommending to another party any transaction or matter that is contained in accompanying this document. In addition, unless otherwise specifically stated, any advice provided shall not be deemed a formal tax opinion upon which the addressee can rely.

We sincerely appreciate the opportunity to serve you. If you have any questions, regarding the annual PFIC statement, please do not hesitate to call.

Very truly yours,

Marcum LLP

A handwritten signature in cursive script, appearing to read "Luis Leon".

Luis F. Leon, CPA

AV/cap

April 28, 2023

Attention: U.S. Shareholders of SilverSpac, Inc.

IMPORTANT TAX NOTICE

Re: 2022 PFIC Status

This statement is provided for shareholders who are United States persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.

SilverSpac, Inc. (or “the Company”) meets the Internal Revenue Code definition of a passive foreign investment company (“PFIC”) for the taxable year ended December 31, 2022. The Company is hereby making available PFIC Annual Information Statements for SilverSpac, Inc. for their taxable years beginning on January 1, 2022 and ending on December 31, 2022 pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1).

The PFIC Annual Information Statements contain information to enable you, should you choose, to elect to treat SilverSpac, Inc. as a Qualified Electing Fund (“QEF”).

A U.S. shareholder who makes a QEF election for SilverSpac, Inc. is required annually to include in his or her income or his or her pro rata share of the ordinary earnings and net capital gains for SilverSpac, Inc. The QEF election is made by completing and attaching Form 8621 for each PFIC to your federal income tax return filed by the due date of the return, including extensions.

U.S. shareholders are advised to consult with their tax advisors with respect to the 2022 PFIC Annual Information Statement.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website, including the following pages:

Detailed information about PFICs and the QEF election:
<https://www.irs.gov/instructions/i8621>

Instructions to complete Form 8621: <https://www.irs.gov/pub/irs-pdf/i8621.pdf>

Form 8621: <https://www.irs.gov/pub/irs-pdf/f8621.pdf>

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF SILVERSPAC, INC. ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER THE UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.

PFIC Annual Information Statement

SilverSpac, Inc.

- 1) This Information Statement applies to the taxable year of SilverSpac, Inc. beginning on January 1, 2022 and ending on December 31, 2022 (the “Taxable Year”).
- 2) Your pro rata share of SilverSpac, Inc.’s ordinary earnings for the Taxable Year can be determined as follows:
 - i) If you owned SilverSpac, Inc.’s shares for the entire IPO period from January 1, 2022 through December 31, 2022, you should multiply the number of shares by the “Ordinary Income Per Share” amount below.

	Total Ordinary Income	Ordinary Income Per Share
Class B Ordinary Shares	US\$ 0.00	US\$ 0.000000
Class A Ordinary Shares	US\$ 3,538,660	US\$ 0.141546

- ii) If you did not own all of your SilverSpac, Inc. shares for the entire 365 day IPO period, your daily pro rata share of SilverSpac, Inc.’s ordinary earnings is:

	Daily Ordinary Income Pro Rata Share
Class B Ordinary Shares (January 01, 2022 – December 31, 2022)	US\$ 0.000000
Class A Ordinary Shares (January 01, 2022 – December 31, 2022)	US\$ 0.000388

U.S. shareholders are advised to consult with their tax advisors with respect to the calculation of their pro rata share of SilverSpac, Inc.’s ordinary earnings and net short term and long term capital gain for the Taxable Year.

- 3) The amount of cash and the fair market value of other property distributed or deemed distributed by SilverSpac, Inc. during the Taxable Year are as follows:

Cash: US \$0.00
Fair Market Value of Property: US \$0.00

- 4) The Summary of Annual Information of SilverSpac, Inc. is as follows:
 - a) Description of each class of shares – **Class A and B Ordinary Shares**

- b) Total number of shares outstanding at year-end:
- i) Class B Ordinary Shares: 6,250,000 and
 - ii) Class A Ordinary Shares: 25,000,000
- c) Total FMV of Class A Ordinary shares at December 31, 2022 – US\$ 10.04 per share.
- 5) Any shareholders making a QEF election will be permitted by SilverSpac, Inc. to inspect and copy its permanent books of account, records, and such other documents as are maintained by SilverSpac, Inc. that are necessary to establish that SilverSpac, Inc.'s ordinary earnings and net capital gain, as provided in section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata share thereof.

SilverSpac, Inc.

Date: Aug 3, 2023

By: 
Authorized Representative