

Link 1.1– “Grant to Option” model and Option Agreement template

EIT Health is committing to support the development of the selected **micro and small enterprises** by granting funds and in-kind contributions to support innovation activities of a project. In return, EIT Health shall participate in the enterprise by way of receiving options to assume shares in the enterprise upon the occurrence of pre-defined Exit Events (as defined below). In such Exit Events, EIT Health has the right to subscribe to shares in the enterprise and subsequently be treated as a shareholder of the company. The total value of EIT Health’s investment shall be the total amount of the grant paid to the enterprise and the nominal value of in-kind contributions of EIT Health paid to the enterprise prior to and during the project.

Main principles:

- Upon selection, EIT Health is committing to support the development of the enterprise by granting funds to support innovation activities in a said project:
 - Min €300,000 grant within a maximum of €1.15 or €1.00 million total grant going to a project and fixed in-kind contributions of the value of €150,000.
 - In DiGinnovation projects: min €150,000 grant within a maximum of €350,000 total grant going to a project and fixed in-kind contributions of the value of €100,000.
- In return for grant and in-kind contributions, EIT Health shall receive options in the enterprise which shall entitle EIT Health to subscribe to a certain number of shares in the enterprise in case of an Exit Event (defined below).
- In-kind contributions are defined as services and non-financial resources provided to selected enterprises that EIT Health delivers in addition to the direct grant payments. Including, but not limited to, access to EIT Health members’ network, assignment of a dedicated EIT Health Single Point of Contact to ensure follow-up, ongoing support of project management, and link with the main stakeholders/partners. The value of in-kind contributions is fixed at the project level (€150,000 and €100,000 in DiGinnovation projects.)
- In addition to the fixed in-kind contribution per project type, direct grant and/or service-specific in-kind contributions may be added on top, in case the project benefits from additional EIT Health’s Accelerator services in the framework of a Flagship. Depending on services, the value of such additional in-kind contributions ranges from €1,200 for access to the Finance Booster training to €40,000 for market access support through Bridgehead.
- By using options, EIT Health intends to be treated comparable to a shareholder and participate in future financial successes of the enterprise without assuming immediate equity.
 - Importantly, if the option is not yet exercised or surrendered, EIT Health holds no equity in the enterprise and has no shareholder rights.
- EIT Health shall be entitled to appoint one (1) member of the advisory board, as long as EIT Health holds options or shares that - on a fully diluted basis – correspond to at least 8.00 % of the share capital.
- EIT Health’s options will dilute in financing rounds in the same ratio as equity-shares.
- In Exit Events, EIT Health has the right, but not the obligation, to purchase shares upon surrendering of the options, and such shares shall be granted by the enterprise.
- Exit events are defined as follows:

- Sale of more than 50% of the shares in the enterprise
- Sale of more than 50% of assets, as well as licensing of substantial IP rights of the enterprise
- Initial Public Offering (IPO)
- Liquidation
- Alternatively, the enterprise is entitled to directly settle EIT Health's claim to shares by paying to EIT Health a Compensation Payment equal to the amount EIT Health would have received in such Exit Event as pro rata shareholder.
- In the event of a merger, the option of EIT Health shall be converted into new options on the level of the new entity. The conversion shall occur on the same economic conditions as the shareholders.
- The number of shares EIT Health is entitled to purchase by surrendering the options corresponds to the price per share, which shall be determined by either of the following:
 - i. The post-money valuation of the last qualified financing round¹, if the financing round was concluded no later than one year prior to application.
 - ii. The pre-money valuation of the current external funding round, if it is closed prior to the conclusion of the Option Agreement.
 - iii. The pre-money valuation obtained as a part of a valuation analysis performed by an independent third party contracted by EIT Health.
- In case of (i) and (ii), the enterprise will have to provide proofs of the valuation prior to the project start. In cases where the enterprise is not able to evidence the conclusion and the respective post-money valuation of the Qualified Financing Round, EIT Health will only accept the valuation of (iii). In case of (iii), valuation analysis will be performed and communicated to the enterprise prior to the project start. If the valuation of (iii) is not accepted by the enterprise, the full Innovation project will not be considered for funding. Please note, that in case the enterprise has received a valuation through another EIT Health programme no more than one year prior to application, it will also be accepted under alternative (i), should the supporting documentation be provided.
- For projects with a duration of two years, it will be possible to reconsider the valuation of an enterprise during the project lifetime, though this step is not required. Should the enterprise wish to adjust its valuation during the lifetime of the project, it shall follow the principles of the [CIMIT Healthcare Innovation Cycle Milestone framework](#) to define significant value inflection points that leads to a valuation increase.

The revenue received by EIT Health from these projects will be invested in future innovation opportunities for the network.

¹ "Qualified Financing Round" is an equity financing round (including financially comparable measures) in which new shares are issued to existing shareholders and/or new investors against contributions and/or other payments in cash (e.g., nominal amount of newly issued shares, premiums or any other payments into the Company's capital reserves), yielding gross proceeds to the Company from private investors of no less than € 500,000.00. In this case, please provide a signed Investment and Shareholders' agreement as a proof of the post-money valuation of the Qualified Financing Round and proof that Private Investors have invested at least € 500,000.00. "Private Investors" include, but are not limited to: Business Angels, Super Angels, CVCs, VCs, family offices, and other private investment firms.

EIT Health Grant to Options

Option Agreement

relating to
[Company]

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by and between

- (1) [●], a limited liability company organized and existing under the laws of [country] with its statutory seat in [●], [country], registered with [●], [country], having its business address at [●], [●], [country]

- "Company" -

- (2) [●], born on [●], with address at [●], [●],

- "Founder 1" -

- (3) [●], born on [●], with address at [●], [●],

- "Founder 2" -

- (4) [●], born on [●], with address at [●], [●],

- "Founder 3" -

- (5) [●], a limited liability company organized and existing under the laws of [country] with its statutory seat in [●], [country], registered with [●], [country], having its business address at [●], [●], [country]

- "Investor 1" -

- (6) **EIT Health e.V.**, an association registered under the laws of Germany with the commercial register of Munich, registration number VR 206069 with statutory seat in München, Germany, having its business address at Mies-van-der-Rohe-Str. 1C, 80807 München, Germany

- "KIC LE" -

- Founder 1, Founder 2 and Founder 3 the "**Founders**" and each a "**Founder**" -

- Founders and Investor 1 as well as any other person and/or entity upon acquisition of shares in the Company in the future hereinafter each a "**Shareholder**" and together the "**Shareholders**" -

- Company, Shareholders and KIC LE each a "**Party**" and collectively the "**Parties**" -

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1. Preamble

- 1.1 KIC LE is one of the largest healthcare initiatives worldwide, leveraging the expertise of close to 150 leading organizations and spanning the key areas of the healthcare industry. The consortium behind KICLE was chosen by the European Institute of Innovation and Technology (hereinafter “**EIT**”) to form a Knowledge and Innovation Community (KIC). KIC LE’s mission is to accelerate entrepreneurship and innovation in healthy living and active ageing by providing EU top talents with new opportunities and resources, for the benefit of all citizens.
- 1.2 The Company is a [type of company] company established and organized under the laws of [jurisdiction]. The Company is registered with [registration authority] under [registration number]. The Company has a [share] capital of EUR [●] and is divided into [number] of shares each in the nominal amount of [●].
- 1.3 The Company qualified for KIC LE’s EIT Health Start-up Amplifier Instrument (“**Amplifier**”). The Company qualifies a SME as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.
- 1.4 Currently all shares (all shares in the Company from time to time the “**Shares**” and each a “**Share**”) are held as set forth in the table below:

Shareholder	Serial Numbers	Class of Shares	Number of shares in the nominal amount of EUR 1.00	Total nominal amount of shares in EUR
Founder 1		Common	[●]	[●]
Founder 2		Common	[●]	[●]
Founder 3		Common	[●]	[●]
Investor 1		Preferred	[●]	[●]
Total:			[●]	[●]

- 1.5 KIC LE is committed to support the development of the Company and is willing to grant funds in the total amount of up to EUR [●] (in words: [●] euro) (the “**Investment**”) If the funds contain an EIT grant, such funds shall be granted in accordance with the terms and conditions of the EIT Grant Agreement and the PGA.
- 1.6 The Company benefits from the Investment provided by KIC LE in return for the grant of an option to assume a certain number of shares (“**EITH Shares**”) in the Company (the “**Option**”). KIC LE
- 1.7 Subject to the condition precedent of the occurrence of certain Activating Events (as defined in the agreement), KIC LE shall participate in the future increase of the Company’s enterprise value by way of subscribing to EITH Shares in the Company. This agreement (the “**Agreement**”) shall form the basis for such participation of KIC LE in the Company.

- 1.8 The pre-money valuation of the Company is as of the date of this Agreement [amount] and corresponds to [the post-money valuation of the last financing round if the financing round was concluded [one year] prior to application (ii), or the pre-money valuation obtained as a part of valuation analysis during due diligence].
- 1.9 In addition to this Agreement, the relation between the Company and KIC LE is governed by the following agreements:
- Partnership Agreement (“**PA**”): Agreement between the EIT and the KIC LE laying down the general terms and conditions under which KIC EIT Health must operate as an Institutionalised European Partnership, effective from 1 January 2021;
 - Partnership Agreement Internal Agreement (“**PA IA**”): Agreement entered into by and between KIC LE and the KIC Partner, transposing the provisions of the PA, in the KIC’s legal and operational arrangements between the KIC LE and the KIC Partner, as required by EIT under Article 1 and Article 5.3 of the PA;
 - Model Grant Agreement (“**GA**”) Agreement between the EIT and KIC LE, laying down the provisions concerning the implementation of the KIC Business Plan through grants, to which the KIC Partners acceded/will accede by their signature of the accession form as provided for in article 40 and annex 3 to the MGA;
 - Project Grant Agreement (“**PGA**”): Agreement between KIC LE and the Company, laying down the contractual arrangements between them, regarding the Project in which the Company is involved with other EIT Health Partners, and regarding part of the Grant to be received in respect of the KIC Added Value Activities (KAVA), that will be performed by the Company, the other EIT Health Partners and third parties and to further specify certain rights and obligations pertaining to them.
- 1.10 The Shareholders have adopted unanimously a Company’s resolution by which they approve the implementation of this Agreement. The respective shareholders’ resolution is attached as **Exhibit 1.10**.¹

NOW, THEREFORE, the Parties agree as follows:

2. Investment Procedure

- 2.1 KIC LE herewith undertakes to provide the Company in accordance with an annual plan to be agreed for the years [•], [•] and [•] (each an “**Annual Plan**”, together the “**Annual Plans**”) with financial means in the amount of the Investment. The amounts paid out to the Company are in the following the “**Investment Amounts**”. There shall be two payments for the respective years: A pre-financing payment on the basis of the respective approved Annual Plan and a final payment based on an annual report to be rendered by the Company to KIC LE setting forth the actual costs compared to the respective Annual Plan.

¹ **Note:** In addition, all current shareholders of the Company shall become a party to this Option Agreement.

- 2.2 The Company and KIC LE have agreed on the first Annual Plan for the year [●] which is attached hereto as **Exhibit 2.2** (the “**Approved Plan [year]**”).
- 2.3 As set out in Section 14.1.2, until the end of [●] (for the year [●]) and the end of [●] (for the year [●]), respectively, the Company shall provide to KIC LE the suggested Annual Plan for the years [●] and [●], respectively (each a “**Suggested Plan**”). In structure and contents, the Suggested Plans shall be made up reasonably like the Approved Plan [●]. KIC LE will review whether the Suggested Plans are in line with the provisions of this Agreement as well as the documents set forth in Section 1.9 and approve in text form the Suggested Plan or an amended version thereof until the end of [December] [●] (for the year [●]) and the end of [●] (for the year [●]), respectively (each such plan in the approved version an “**Approved Plan**”). On the basis of each Approved Plan, KIC LE shall pay to the Company the pre-financing amounts set forth as such therein.
- 2.4 As set out in Section 14.1.1, until the end of February [●] (for the year [●]), the end of February [●] (for the year [●]) and the end of February [●] (for the year [●]), respectively, the Company shall provide to KIC LE a report for the costs actually incurred in the respective preceding year compared to the costs set forth in the respective Approved Plan (each an “**Annual Report**”). KIC LE and EIT will review the Annual Reports. Based on KIC LE’s and EIT’s review of the Annual Reports, EIT shall pay KIC LE and in turn KIC LE shall pay to the Company such moneys corresponding to the actual incurred costs as approved in the respective Approved Plan, to the extent such actual costs are not already covered by the pre-financing.

3. EITH Share Price, Number of EITH Shares

- 3.1 Subject to the condition precedent of the occurrence of an Activating Event (as defined below), the Company shall permit KIC LE upon KIC LE’s request to subscribe to a certain number of EITH Shares in the Company with a nominal value of EUR [●] each.
- 3.2 The price per EITH Share (“**EITH Share Price**”) is calculated at a pre-money valuation of the Company in the amount of EUR [●] (in words: [●] euro), resulting in an underlying share price comprising the capital contributions in the nominal value and the further contributions to the capital reserves of the Company of EUR [●] per EITH Share.
- 3.3 The number of EITH Shares KIC LE is entitled to, depends on the agreed pre-money valuation as set out in the following table:

3.3.1 *[/Alternative 1: No increase in valuation is agreed]*

Pre-Money Valuation	EITH Share Price	Number of EITH Shares per EUR 100k invested in case of an Activating Event
EUR [●]	EUR [●]	[●]

3.3.2 *[/Alternative 2: Increase in valuation is agreed if certain milestones are*

achieved]

	Pre-Money Valuation
As of Signing (“Base Valuation”)	EUR [●]
By achieving Milestone 1	EUR [●]
By achieving Milestone 2	EUR [●]

3.3.3 **[// Only for Milestone concept** The applicable EITH Share Price for Milestone 1 and Milestone 2 respectively shall be calculated based on the pre-money valuation as set out in Section 3.3 and the number of shares issued by the Company on the day the respective Milestone is deemed to be met pursuant to Section 4.3. For the calculation of the EITH Share Price generally accepted financial and mathematical principles shall apply.

4. [//Achievement of Milestones]²

4.1 [Subject to the conditions precedent that the Company meets on or before the respective milestone date as set forth in **Exhibit 4.1** (each a “**Milestone Date**”) the respective requirements as set forth in Exhibit 4.1 (each a “**Milestone**”) the relevant pre-money valuation shall increase as set out in Section 3.3.2 if the respective milestone has been achieved as of the respective Milestone Date.

4.2 The Company shall be obliged to notify KIC LE in writing without undue delay if a Milestone has been met on or before the respective Milestone Date (the “**Milestone Notice**”). The Milestone Notice shall be made in writing and shall contain the complete documentation defined for the respective Milestone in Exhibit 4.1 regarding the fact that the respective Milestone has been met on or before the respective Milestone Date. KIC LE shall be entitled within a period of ten (10) Business Days after receipt of the Milestone Notice to object to the Milestone Notice by written notice to the Company (the “**Objection Notice**”). In such case the Company and KIC LE shall try to reach an agreement within a period of ten (10) Business Days following the receipt of the Objection Notice. If an agreement cannot be reached during such period, any of them may appeal, during a further period of two (2) weeks, to [name of a recognized and accepted institution] to appoint an independent expert.³ The independent expert shall ultimately determine whether the respective Milestone has been met. The cost of the independent expert shall be borne by KIC LE if the independent expert comes to the result that the respective milestone is achieved. Otherwise, the Company shall bear all costs incurred.

4.3 In case KIC LE (i) accepts or fails to object to the Milestone Notice within the aforementioned time period, (ii) agrees with the Company on the achievement of the Milestone or

² **Note:** This paragraph only applies, if milestones are agreed.

³ **Note:** Accepted institution to be named.

(iii) waives the requirement of the fulfilment of the Milestone, each within the aforementioned time period following receipt of the Objection Notice by the Company or (iv) upon decision of the independent expert that the Milestone has been met, the Milestone is in cases (i), (ii), (iii) and (iv) deemed to be met.

4.4 In the event that a Milestone is not met on or before the respective Milestone Date or is not deemed to be met pursuant to Section 4.3 above, the valuation will not increase but stays on the same level.

5. EITH Share Price

5.1 By paying the Investment Amounts, KIC LE has fully paid up the EITH Share Price and no additional payments need to be done when KIC LE is assuming EITH Shares, except for the payment of the nominal amount of EUR [●] per EITH Share in the capital increase outlined in Section 8.⁴

5.2 Without undue delay after any Investment Amount has been provided by KIC LE, the Company shall with declarative effect confirm vis-à-vis KIC LE in written form the number of EITH Shares KIC LE is entitled to according to the Option. **[In case an exchange rate applies:** For the calculation of the number of EITH Shares (i) the interbank exchange rate of the day on which the Company has received the payment (selling EUR to buy [●]) as published on the website <https://www1.oanda.com/currency/converter/> and (ii) generally accepted financial and mathematical principles shall apply.**]** For the calculation of the number of EITH Shares generally accepted financial and mathematical principles shall apply. **Exhibit 5.2** contains a sample for the respective declaration.

5.3 **[// Only for Milestone-concept:** The Parties agree that the Investment Amounts of KIC LE shall be allocated as follows to the respective valuation, if the defined Milestones are achieved:

	Payment of KIC LE
Base Valuation	up to EUR [●]
Milestone 1 achieved	up to EUR [●]
Milestone 2 achieved	up to EUR [●]

For the sake of clarity, the Parties expressly agree that:

- If Milestone 1 and Milestone 2 are not achieved, for tranches 1, 2 and 3 the Base Valuation shall apply.
- If Milestone 1 is achieved, but Milestone 2 is not achieved, for tranches 2 and 3 the valuation of Milestone 1 shall apply.
- If Milestone 1 is not duly achieved but is achieved before Milestone Date 2 and if

⁴ **Example:** If the Investment Amounts are EUR 1,500,000.00 KIC LE is entitled to assume [number] of shares without having to make additional payments, except for the respective nominal amount, if applicable.

Milestone 2 is duly achieved, for tranche 2 the valuation of Milestone 1 shall retroactively apply and for tranche 3 the valuation of Milestone 2 shall apply.

6. Adjustment of the Number of EITH Shares

- 6.1 If, before an Activating Event, the imputed value of each EITH Share to which KIC LE is entitled decreases due to a capital increase using the Company's own funds or by an economically similar transaction (e.g. *pro rata* capital increase only by existing shareholders below fair market value), the number of EITH Shares to which KIC LE is entitled shall be increased accordingly.
- 6.2 If, before an Activating Event, the imputed value of each EITH Share to which KIC LE is entitled increases due to:
- 6.2.1 payments by Shareholders into the capital reserves without any issue of Shares and without a simultaneous increase in liquidation-, earnings-, repayment claims or similar preferences of these Shareholders by the corresponding amount,
 - 6.2.2 a (simplified) capital decrease, or
 - 6.2.3 another measure leading to comparable financial results,
- the number of EITH Shares to which KIC LE is entitled shall be decreased accordingly.
- 6.3 The increase/decrease in the number of EITH Shares, to which KIC LE is entitled in accordance with this Section 6 shall take place with due regard to generally accepted financial and mathematical principles. The determination of the adjusted number of EITH Shares to which KIC LE is entitled shall be made by notice from the Company to KIC LE. Such determination requires the prior approval of the corporate body whose approval is necessary for the issuance of EITH Shares according to the articles of association, the rules of procedure and/or a shareholders' agreement of the Company. In case such approval requirement is not expressly stipulated, the approval of the shareholders' meeting shall be required.
- 6.4 Without undue delay the Company shall inform KIC LE in written form about the need for an adjustment of the number of EITH Shares to which KIC LE is entitled in accordance with this Section 6.4 and shall provide KIC LE with all information required to assess the adjustment of its entitlement to EITH Shares. On this basis, the Parties shall mutually agree on the adjusted number of EITH Shares, to which KIC LE is entitled.

7. Activating Event, Subscription of Shares

- 7.1 With the occurrence of an Activating Event the EITH Shares to which KIC LE is entitled can be subscribed by KIC LE.
- 7.2 EITH Shares can only be subscribed by KIC LE within 2 (two) weeks after the Company has informed KIC LE of the occurrence of an Activating Event and only in the same ratio as the Shares held by the Shareholders are commercially affected by the Activating

Event by giving written notice to the Company ("**Subscription Notice**") With the remaining part, KIC LE is entitled to participate in additional Activating Event(s).

Example: *In case only 80 % of the Shares in the Company will be sold in a Share Deal Exit, KIC LE shall be treated as if KIC LE was already a Shareholder of the Company and would therefore only be able to claim 80 % of the EITH Shares to which it is entitled. The remaining 20 % of its claim may be claimed by KIC LE in a subsequent Activating Event subject to and in accordance with the terms and conditions of this Agreement.*

7.3 Activating Event shall be one of the following events or a combination thereof (each an "**Activating Event**"):

7.3.1 the execution of the sale and transfer of more than 50 % of the Shares at the time of the Activating Event within the framework of one or more related transactions ("**Share Deal Exit**"),

7.3.2 any profit distribution in cash to the Company's Shareholders based on the closing of the sale and transfer (including financially comparable measures e.g. the granting of an exclusive license) of more than 50 % of the tangible and intangible assets in one or more transactions (i.e. including the intellectual property rights) of the Company (calculated based on fair market values and irrespective of whether such assets can be shown in the Company's annual financial accounts in accordance with applicable general accounting principles) at the time of the Activating Event within the framework of one or more related transactions ("**Asset Deal Exit**"); whereas related transactions mean transactions regarding the same commercial object which (i) occur within a time frame of twelve (12) months or (ii) if they occur outside of a time frame of twelve (12) months a reasonable person would identify them as being related by content and participating partners or based on other interdependencies in the conclusion of such transactions ("**Related Transactions**"), or

7.3.3 the lapse of the shortest lock-up period applicable to any Shares in the Company agreed by any Shareholder in the context of a direct or indirect initial public offering of the Shares in the Company after a conversion of the Company at a regulated market or a regulated unofficial market of a recognized stock exchange such as Frankfurt Stock Exchange ("**IPO Exit**"), or

7.3.4 the liquidation of the Company ("**Liquidation**").

7.4 The Shareholders and the Company will ensure that KIC LE will participate in the Activating Event *pari passu* with the Shareholders. The Shareholders herewith confirm unrestrictedly and irrevocably vis à vis KIC LE that prior to the implementation of the respective Activating Event and the distribution of respective proceeds, KIC LE will get the right to become Shareholder of the Company. The Shareholders and the Company each individually undertake to use its/their best efforts to procure that, before the Activating Event occurs, KIC LE is entitled to EITH Shares in the Company after due fulfilment of

KIC LE's obligations under this Agreement. The Shareholders shall i.a. convene an (extraordinary) shareholders' meeting of the Company and will resolve upon the relevant increase of the Company's registered share capital and the issuance of the relevant number of (additional) EITH Shares to KIC LE. The Company's right for compensation according to Section 9 remains unaffected.

- 7.5 KIC LE undertakes, prior to the acquisition of EITH Shares to accede to any shareholders' agreement entered into by all Shareholders, the Company and, if applicable, third parties, in the version valid at such point in time as a shareholder without any special investor rights except for those set out in Section 10 and in particular to assume all obligations applicable to a Shareholder under such shareholders' agreement. Such shareholders' agreement may stipulate *inter alia* restrictions in transfer and voting rights, etc.

8. Capital Increase

The Shareholders and the Company shall each procure that the Shareholders as soon as possible but at the latest within fourteen (14) days after the Company has received the Subscription Notice (i) adopt the resolutions on the necessary capital increases required in each case for the respective issue of the EITH Shares, or increase the share capital to the extent required on the basis of authorized capital in order to issue the required EITH Shares, and (ii) allow KIC LE to subscribe for these EITH Shares, (iii) waive their subscription rights as Shareholders, and (iv) carry out all actions and submit all declarations necessary to execute the capital increase.

9. Compensation Payment, Definitive Settlement

- 9.1 Instead of offering KIC LE the position as Shareholder in accordance with Section 8, the Company is entitled to settle all claims of KIC LE (and for the avoidance of doubt KIC LE) arising in connection with KIC LE's contractual claim to the acquisition of EITH Shares by a payment (the "**Compensation Payment**"). In this case, the Company shall inform KIC LE and KIC LE respectively in written form within seven (7) days after the Company has received the Subscription Notice.
- 9.2 For the calculation of the Compensation Payment, KIC LE will be treated by applying the calculation formula pursuant to Section 9.3, as if KIC LE was a Shareholder and took part in said Activating Event in the same ratio as other Shareholders at the time of the Activating Event.
- 9.3 The Compensation Payment to KIC LE will be calculated as follows:

$$PC = (NP - TC - EP) \cdot S$$

whereas:

PC = (**Payment Claim**) Payment claim of KIC LE in EUR.

NP = (**Net Proceeds**) The calculated exit proceeds shall equal:

- in case of a Share Deal Exit the average proceeds attributable to the Share Deal Exit (i.e. including any deposits (e.g. escrow amounts and/or purchase price retentions), purchase price adjustments and/or variable purchase price components (e.g. earn-out payments) etc.) to a Share in the nominal amount of EUR [●] sold in the Share Deal Exit (the “**Relevant Purchase Price**”); provided, however, that the Relevant Purchase Price shall only comprise the aforementioned purchase price components if and to the extent that such components have been or will be actually distributed to all shareholders who sold Shares in the Share Deal Exit;
- in case of a profit distribution to the Shareholders upon an Asset Deal, the amount of profits distributed in cash per Share (as defined below) in the nominal amount of EUR [●] (prior to withholding tax);
- in case of an IPO Exit the average closing price per Share in the Company during the three (3) trading days following the day the last lock-up period lapsed;
- in case of a distribution of liquidation proceeds to the Shareholders upon a Liquidation the amount of liquidation profits distributed in cash per common share (as defined below) in the nominal amount of EUR [●].

If at the time of the Activating Event, the Company has issued in addition to common shares, preferred shares or if the Shareholders have agreed contractually to treat certain Shares as preferred shares or equip certain Shares with preferred rights (such shares collectively the “**Preferred Shares**” and each a “**Preferred Share**”), the following shall apply: the Net Proceeds shall be calculated taking into account and deducting the amount of any preference payments attributed to respective Preferred Share that forms part of the relevant Activating Event to the extent they reduce the proceeds payable to the other Shareholders *always provided that* the preference granted to KIC LE over the common shares pursuant to Section 10 is observed.

TC = (Transaction Costs) The calculated transaction costs arising directly from the Activating Event calculated on a pro rata basis;

EP = (Exercise Price) The nominal amount to the extent not yet paid;

S = (Sum of EITH Shares) Total number of EITH Shares for the acquisition of which KIC LE has a contractual claim at the time of the relevant Activating Event.

A calculation example is attached hereto as **Exhibit 9.3**.

Section 10 shall remain unaffected.

9.4 If and to the extent that the Relevant Purchase Price in case of a Share Deal Exit is paid not in cash but in kind, the Net Proceeds (NP) shall with respect to such in-kind consideration be determined as follows:

9.4.1 In case the in-kind consideration consists of publicly-listed shares, the value of the in-kind consideration shall be determined in accordance with the provisions for an IPO Exit as set forth in Section 9.3;

9.4.2 In all other cases the value of the in-kind consideration shall be determined on the basis of the fair market value of the in-kind consideration. Disputes on the fair market value of the purchase price elements in kind shall be finally and

bindingly settled by a certified public accountant as an expert.

- 9.5 KIC LE shall not be obliged to make any payments to the Company if the calculation according to the formulas above results in a negative amount.
- 9.6 The Compensation Payment shall be due and payable within three (3) months after the Company has received the Subscription Notice from KIC LE, however at the earliest within one (1) month after the respective proceeds or part of the proceeds from the Activating Event have been actually distributed to the Shareholders. The latter applies in particular in case of any subsequent proceeds' payments (e.g. on the basis of escrow retentions or earn-out provisions). In case of an IPO Exit, the payment according to Section 7.3.3 shall become due at the earliest one (1) month after the longest applicable lock-up period for a shareholder of the Company has expired.
- 9.7 In case of (i) a Share-Deal Exit in which the consideration wholly or partly consists of shares or (ii) an IPO Exit, the Company shall in its sole discretion be entitled to fulfil the payment claim of KIC LE in whole or in part through shares in lieu of paying a cash amount. Section 9.4 shall apply *mutatis mutandis*. In case the payment claim of KIC LE is fulfilled in whole or in part by the provision of shares, KIC LE undertakes upon request of the Company to accede to a shareholders' agreement with respect to the shares to be provided.

10. Liquidation Preference⁵

- 10.1 If at the time of the Activating Event, the Company has issued in addition to common shares, Preferred Shares or if the Shareholders have agreed contractually to treat certain Shares as Preferred Shares or equip certain Shares with preferred rights such as liquidation preferences, the following shall apply: KIC LE shall be entitled to receive for each EITH Share to which it is entitled a non-participating sales and liquidation preference equal to the aggregate amount of the Investment Amounts made to the Company per EITH Share that shall rank by complying with the "last in - first out principle" (i) senior to the common shares issued in the Company and (ii) junior to any higher Preferred Shares, if any.⁶
- 10.2 **[// Only for Milestone concept:** If the Company issues higher ranking preferred shares after signing this Option Agreement but before Milestone 1 and/ or Milestone 2 respectively are achieved, the following shall apply. To the extent the higher valuation applies in accordance with Section 5.3 for EITH Shares, KIC LE gets the same rank for its liquidation preference as the highest share class existing at the point in time the respective Milestone is achieved. The following example shall illustrate the mechanism: [to be

⁵ **Note:** If existing Shareholders have additional rights and those rights have an impact on the valuation, KIC LE shall get at least the same rights. In this case Section 10 will be amended respectively (cf. Term Sheet).

⁶ **Note:** If no Shareholder is entitled for a liquidation preference, KIC LE shall also not be entitled for a liquidation preference.

included]

10.3 KIC LE shall be entitled to its liquidation preference without being referred to any applicable escrow, holdback or other contingency provision. Thus, if upon an Activating Event the initial payment is enough to fully pay the liquidation preference of KIC LE (once any senior ranking liquidation preference has been previously paid in full), then the liquidation preference of KIC LE shall be fully paid.

11. ESOP

KIC LE will bear the economic burden of any employee stock option plans (“ESOP”) on a *pro rata basis* and in relation to the increased share capital of the Company. However, KIC LE shall bear the economic burden of ESOP only to a maximum corresponding to 15 % of the fully diluted share capital of the Company.

12. Taxes and other Fees

Taxes, other levies or fees that are to be paid in connection with the acquisition of EITH Shares pursuant to this Agreement or a monetary payment pursuant to the provisions of this Agreement will be borne by KIC LE. The Company may retain taxes, other fees or levies from payments to be made according to this Agreement.

13. Advisory Board

13.1 If an advisory board (*Beirat*) is installed at the Company, KIC LE shall be entitled to appoint one (1) member of the advisory board, as long as KIC LE holds an Option or EITH Shares which – on a fully diluted basis – correspond to at least 8.00 % of the share capital.

13.2 If a supervisory board (*Aufsichtsrat*) but no advisory board is installed at the Company, KIC LE shall have the right to appoint one (1) member as long as KIC LE holds Options or shares which - on a fully diluted basis – correspond to at least 8.00 % of the share capital.

13.3 The Shareholders shall take all actions and give all declarations (including shareholders' resolutions) which are reasonably necessary to implement the right of KIC LE to appoint a member to the advisory board contemplated under this Section 13.

14. Information Rights

14.1 As long as KIC LE holds an Option or EITH Shares, KIC LE shall be granted customary access and information rights with respect to the Company's business and ongoing development. The Company shall grant KIC LE the same information rights as other Shareholders of the Company and in addition provide KIC LE with financial reports on a regular basis, including:

14.1.1 Unaudited or (to the extent required by law) audited annual financial statements and Annual Reports at the latest at the end of February following the

respective financial year;

14.1.2 Annual business plan for the following financial year showing monthly projected financials as well as the Suggested Plan, at the latest at the end of August of the preceding financial year;

14.1.3 Quarterly reporting of key performance indicators and financial analyses (BWA);

14.1.4 Copies of the minutes of the advisory board, if applicable.

14.2 In addition, KIC LE will get any information required to control the financial impact of its participation in the Company. Especially, the Company will permit KIC LE and its advisors to have reasonable access to all documentation and documents related to the participation of KIC LE in the Company and to get copies of documents.

14.3 The Company shall comply with all information requests included in the documents set forth in Section 1.9.

14.4 In addition to the information that the Company shall provide KIC LE with pursuant to Sections 14.1, 14.2 and 14.3 above, the Company shall grant KIC LE the same information rights as other shareholders of the Company. The Company shall especially include KIC LE in the regular reports that the Company sends to its shareholders.

15. Reorganization of Options

15.1 The Company may convert the Options into another equivalent participation in the Company at any time, in particular in case the Company shall be reorganized into a stock corporation, provided that such participation does not place KIC LE in a financially worse situation than the Options in accordance with this Agreement.

15.2 If the Shareholders transfer their Shares in the Company as capital contribution to another legal entity or in case the company is merged into a new legal entity, the Company shall be entitled to replace this Agreement by granting options with comparable rights under the condition that this does not place KIC LE in a financially worse situation than the Options in accordance with this Agreement.

16. Disputes

16.1 The Company and KIC LE will each co-operate with the Company's auditors as appointed from time to time ("**Auditors**") in resolving any conflict under this Agreement as soon as reasonably possible and within ten (10) Business Days of their appointment, if possible and for that purpose will, subject to any restrictions imposed by law, any regulatory authority or any obligations of confidentiality, provide to them all such information and documents as they may reasonably require.

16.2 The Auditors' fees shall be borne as the Auditor shall determine.

16.3 The Auditors shall act as experts and not as arbitrators and their decision shall (in the absence of manifest error) be final and binding on the Company and KIC LE.

17. Shareholders' Obligations

- 17.1 Each of the Shareholders shall ensure that any and all future Shareholders of the Company assume, as Shareholders of the Company, the same obligations as set forth in this Agreement, unless Shares are transferred (or new Shares are issued) in connection with an Activating Event.
- 17.2 To fulfil the aforementioned obligation, it shall suffice that the new Shareholder issues a respective written statement vis-à-vis KIC LE to be bound by such provisions.

18. Notices

Any notice or other declaration under this Agreement shall require written form to be effective, unless a different form is prescribed by law. It shall be sufficient for the compliance with the written form requirement if a personally signed notice or declaration is transmitted by telefax or as a PDF-file by e-mail.

19. Term

- 19.1 Each Party hereto may terminate this Agreement in writing with twelve (12) months' notice to the end of a calendar year, but in no event with effect to a date prior to 31 December 2035. [The termination right pursuant to section 723 (1) sentence 1 Civil Code is hereby excluded.] The right to terminate this Agreement for good cause remains unaffected. If a Party intends to terminate this Agreement for good cause, such Party shall notify the Company in writing thereof, which shall forward a copy of such notice to the other Parties.
- 19.2 If KIC LE ceases to be a Party to this Agreement as a result of a termination or for any other reason this Agreement terminates for any other Party.
- 19.3 If a Party, other than KIC LE, ceases to be a Party to this Agreement as a result of a termination or for any other reason this does not impair the effectiveness of this Agreement, which continues to be in force and effect among the other Parties; this also applies in the event of death, insolvency or liquidation of any of the Parties.
- 19.4 If a Founder disposes all of his shares in the Company or in case all shares of a Founder in the Company are redeemed, such Founder ceases to be a party to this Agreement with effect as of the point in time such disposal or redemption becomes effective.

20. Transfer of Shares by Founders

- 20.1 Each Founder herewith undertakes not to transfer any Share in the Company for a period of [years] without the approval of KIC LE.⁷
- 20.2 Such approval shall be granted if the respective Founder transfers the Share to an entity which is under 100% control of the respective Founder and if Section 17.1 is complied with.

⁷ **Note:** Vesting shall be implemented if the Company upon registration is younger than two years.

21. Assignment of the Claim for EITH Shares

KIC LE may assign its claim for EITH Shares to entities which are controlled by KIC LE in the meaning of Section 17 German Stock Corporation Act without restrictions, provided, however, that (i) the relevant transferee shall at any time be and remain controlled by KIC LE in the meaning of Section 17 German Stock Corporation Act and (ii) in the event that the transferee ceases to be controlled by KIC LE in the meaning of Section 17 German Stock Corporation Act, then the claim for EITH Shares shall be reassigned to an entity controlled by KIC LE in the meaning of Section 17 German Stock Corporation Act. Apart, any assignment of the claim for EITH Shares requires the prior approval of the Company.

22. Delivery Addresses and Authorized Recipients

22.1 Each Party shall, at any time while a party to this Agreement, keep the respective other Party informed of its current mailing address and contact data. As of the signing date, the Parties may direct any and all declarations to be issued under or in connection with this Agreement *vis-à-vis* another Party, to the persons and addresses set forth in **Exhibit 22.1**, and any declaration directed to such persons and addresses is deemed received by the respective Party, to which such declaration is addressed, if delivered by hand or telefax or e-mail (if declaration is required to be in writing: pdf-copy) on the same day, and if sent by courier or mail no later than on the third (3rd) day after dispatch. If any Party to this Agreement wishes to change its delivery address, such Party shall inform the other Parties in writing thereof, and such change becomes effective for the purposes of this Agreement and, in particular, this Section 22.1, upon the lapse of five (5) Business Days as of receipt of such information.

22.2 Each person assigned to a Party stated in Exhibit 22.1 is an authorized recipient for the respective Parties, including for the purposes of serving statements of claims and any other statements, applications, declarations, correspondence or court orders relating to disputes in respect of this Agreement or otherwise in connection with the Company.

23. Entire Agreement, Modifications and Additions

23.1 This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and, unless explicitly stated otherwise herein, supersedes all prior agreements, declarations of intent and other arrangements whether written or oral, binding or non-binding that may exist between the Parties in respect of the subject matter of this Agreement or parts thereof. There are no side agreements to this Agreement.

23.2 Any modification of or addition to this Agreement shall be made in writing, unless a stricter form requirement (e.g. notarization) applies by mandatory law. This shall also apply to the modification or rescission of the written form requirement.

24. Confidentiality

24.1 KIC LE is entitled to make public announcements regarding its Investment in the Company or issue a press release following consultation and coordination with the Company.

24.2 All Parties shall be obliged to keep the content of this Agreement and the agreements mentioned in this Agreement confidential and may not disclose the contents of this Agreement, except if and to the extent

24.2.1 disclosure is made to a tax or other authority in connection with the tax or other affairs of the disclosing Party;

24.2.2 disclosure is made to employees, attorneys, accountants, tax consultants, or other professional advisors of a Party, provided that such employees and advisors are subject to secrecy duty by law or a corresponding confidentiality obligation;

24.2.3 disclosure is made to banks which provide financing to the Company or the disclosing Party;

24.2.4 disclosure is made to a Shareholder; or

24.2.5 disclosure is made to a third party that intends to subscribe for or acquire Shares in the Company, provided that such third party is subject to a confidentiality obligation unless disclosure is required by law or administrative regulation.

24.3 Notwithstanding the obligations from this Section 24, KIC LE is free to communicate the economic conditions of the participation of KIC LE and KIC LE for the respective programme.

25. Confirmation of the Company

By signing this Agreement, the Company confirms to KIC LE that it has not received any grants or funding from [other EU or Euratom grant] within the same project.

26. Miscellaneous

26.1 Each Party shall bear its own taxes in connection with the conclusion, the implementation and on-going performance of this Agreement as well as its termination. It is herewith clarified that the Company shall be entitled, if and to the extent required by statutory law, to make any withholdings and other deductions as well as payments to the respective authorities on behalf of KIC LE.

26.2 This Agreement shall be subject to [German law].

26.3 To the extent permissible by law, exclusive place of jurisdiction for all disputes arising from or in connection with this Agreement or regarding its validity is the statutory seat of the Company.

26.4 In the event that one or more provisions of this Agreement is or become partly or entirely void, invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby. In such case, the parties shall be obliged to replace the partly or entirely void, invalid or unenforceable provision with a valid and enforceable provision, which the parties would have agreed on had they been aware of the voidness, invalidity or unenforceability of the respective provision. The same shall

apply in the event that this Agreement contains any unintended gaps. [It is the express intention of the parties that the preceding provisions of this Section 26.4 shall not merely shift the burden of proof but that Section 139 German Civil Code (*Bürgerliches Gesetzbuch (BGB)*) shall not apply in its entirety, so that none of the parties will have to argue (*darlegen*) and prove (*beweisen*) the parties' intent to uphold this Agreement even without the void, invalid, unenforceable or missing provision.]

[Signature page(s) follow(s)]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed on the date first written above.

EIT Health e.V.

[•]

[•]

Founder 1

Founder 2

[•]

[•]

Founder 3

Founder 4

[•]

[•]

Investor 1

Company

[•]

[•]

Shareholders' Resolution

[to be inserted by the Company]

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Annual Financial Plan for the Year [●]

[to be inserted]

DRAFT

Milestone Plan⁸

#	Objective of the Milestone	Milestone Date	Pre-Money Valuation
Milestone 1	[●]	[●]	[●]
Milestone 2	[●]	[●]	[●]

⁸ **Note:** This Exhibit 4.1 only applies if milestones are agreed.

Declaration
pursuant to Section 5.1 of the Option Agreement

We refer to Section 5.2 of the Option Agreement signed as of [Date].

We herewith confirm that

- we have received Payment [no. of the payment] in the amount of EUR [●] on [exact day on which Company has received the payment] from KIC LE [after approval of Milestone [●]];
- ⁹the exchange rate in relation to EUR was on the date of receipt of the payment: EUR 1.00 = [●], as published on the website [https://www1.oanda.com/currency/converter/;](https://www1.oanda.com/currency/converter/)
- KIC LE has an Option to assume [number] [additional] EITH Shares and has currently in total an Option to assume [number] EITH Shares.

[Place], _____

[Name]

⁹ **Note:** This applies only to companies that are subject to a currency other than EUR. Please delete this sentence if your company is subject to the EUR.

Examples (for illustrative purposes only) and not in line with the current share capital of [●]

Calculation of the Compensation Payment (Section 9) is illustrated through the following four (4) example scenarios, all of which have the same fact pattern unless specifically referenced in the relevant example. Please note that the examples do not reflect the lower share capital of [●]. The examples shall only illustrate the mechanism of the formula.

Fact Pattern

- In the event of the Compensation Payment, the Company has a share capital of EUR 40,001. 25,001 shares are held by the Founders and 15,000 shares are held by several investors as preferred shares. The investors invested in total EUR 5,000,000.00 and have a one-time non-participating liquidation preference.
- KIC LE is entitled to assume 2,083 EITH Shares (after having invested EUR 500,000.00)
- Employees of the Company hold 2,000 Phantom Stocks
- 100% of the share capital of the Company are sold. The purchase price formula includes a stipulation that the Company will be sold net and debt-free.

Example 1

- The purchase price for 100% of the Company is EUR 15,500,000.00 (net and debt free).
- Transaction costs (M&A advisor, lawyer fees, etc.) amount to EUR 500,000.00.
- The investors decide to participate pro rata as their non-participating preference right is not favourable for them.

In this Example 1 the exit participation of KIC LE is calculated as follows:

$$PC = (NP - TC - EP) \cdot S$$

The relevant amount of shares is 44,084: Founder's share capital (25,001) + investors' shares (15,000), plus Option of KIC LE to assume EITH Shares (2,083) + Phantom Stock (2,000) = 44,084

$$NP = EUR 15,500,000.00 / 44,084.00 = EUR 351.60$$

$$TC = EUR 500,000.00 / 44,084.00 = EUR 11.34$$

EP = EUR 1.00 (EUR 1.00 per EITH Share)

S = 2,083

Payment Claim of KIC LE = EUR 706,677.55

Example 2

- Same numbers and facts as in Example 1, but the purchase price for 100% of the Company is EUR 17,000,000.00.
- The investors exercise their non-participating liquidation preference of EUR 5,000,000.00, which pursuant to Section 10.1 ranks in priority to the EITH Shares to which KIC LE is entitled.
- The exit proceeds (EUR 17,000,000.00) minus the investors' liquidation preference of the preferred shares (EUR 5,000,000.00) is EUR 12,000,000.00. The investors' liquidation preference shall be deducted from the exit proceeds as it ranks in priority.

In this Example 2 the exit participation of KIC LE is calculated as follows:

$$PC = (NP - TC - EP) \cdot S$$

The relevant amount of shares is 29,084: Founder's share capital (25,001), plus Option of KIC LE to assume EITH Shares (2,083) + Phantom Stock (2,000) = 29,084

As the liquidation preference is a non-participating preference, the investors' shares have not to be taken into account.

$$NP = 12,000,000.00 / 29,084 = \text{EUR } 412.60$$

$$TC = \text{EUR } 500,000.00 / 29,084 = \text{EUR } 17.19$$

EP = EUR 1.00 (EUR 1.00 per EITH Share)

S = 2,083

Payment Claim of KIC LE = EUR 821,556.03

Example 3

- Same numbers and facts as in Example 2, but the purchase price for 100% of the Company is EUR 11,500,000.00.

In Example 3 KIC LE's Payment Claim is EUR 500,000.00:

- By application of the formula, KIC LE is entitled to EUR 427,639.90.
- However, in accordance with Section 10.1, KIC LE gets at least the invested amount of EUR 500,000.00.

Example 4

- Same numbers and facts as in Example 2, but the purchase price for 100% of the Company is EUR 5,000,000.00.
- The investors exercise their one-time liquidation preference of EUR 5,000,000.00, which pursuant to Section 9.3 ranks in priority to the EITH Shares to which KIC LE is entitled.
- In this instance, all funds would go to the investors. KIC LE, the Founders and the ESOP would receive nothing.

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Delivery Addresses and Authorized Recipients

Party	Delivery Address and Authorized Recipients
EIT Health e.V.	<u>To:</u> EIT Health e.V., Management Board Mies-van-der-Rohe-Str. 1C, 80807 München, Germany <u>E-Mail:</u> notification@eithealth.eu
	<u>To:</u> [●] [●] <u>E-Mail:</u> [●]
	<u>To:</u> [●] [●] <u>E-Mail:</u> [●]
	<u>To:</u> [●] [●] <u>E-Mail:</u> [●]
	<u>To:</u> [●] [●] <u>E-Mail:</u> [●]