

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 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.

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:
 - In Innovation to Market projects: minimum €500,000 grant within a maximum of €1,000,000 total grant going to project consortia.
 - In DiGinnovation projects: maximum of €350,000 total grant going to a project consortia, with a minimum of €150,000 grant going to the enterprise.
 - In return for the grant EIT Health shall receive options in an enterprise which shall entitle EIT Health to subscribe to a certain number of shares in an enterprise in case of an Exit Event (defined below).
- 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 have no shareholder rights.
- The number of shares EIT Health is entitled to purchase by surrendering the options corresponds to the price per share.
- The Share Price is the price per share in the company of the first Qualifying Financing Round with an applied discount that depending on the time lag of execution of such an event (ranging from 10 to 30 % discount with a lag period ranging from 6 to 36 months).
- A qualified Financing Round means an equity investment by new investors of at least €1,000,000.
- 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 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 revenue received by EIT Health from these projects will be invested in future innovation opportunities for the network.

EIT Health [Programme [●]]

Option Agreement

relating to
[Company]

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 Flagship financial model (“**Flagship**”). The Company qualifies in particular as 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**”).
- 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 for the Investment is not yet fixed and shall be determined on the terms and conditions set out in this Agreement.
- 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 (“**MGA**”): 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
- 1.11 The date on which this Agreement has been fully executed is in the following the “**Signing Date**”.

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

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

Plan.

- 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 15.1.2, 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 15.1.1, 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. **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 number of EITH Shares KIC LE is entitled to equals to the quotient of (i) the Investment Amounts and (ii) the EITH Share Price (as defined in Section 3.3).
- 3.3 The price per EITH Share (“**EITH Share Price**”) is calculated at a pre-money valuation of the Company as determined in Section 4 resulting in the respective underlying share price comprising the capital contributions in the nominal value and any further contributions to the capital reserves of the Company.

4. **Determination of the EITH Share Price in case of a Qualified Financing Round**

- 4.1 If a Qualified Financing Round occurs before the lapse of 36 months after the Signing Date (such date the “**Maturity Date**”), the EITH Share Price will be determined as follows.
- 4.2 The EITH Share Price equals the price per share in the Company (nominal amount including additional payment into the capital reserve of the Company) at which a share in the Company with a nominal amount of EUR 1.00 of the most advantageous share class,

without taking into account any rebates and discounts, will be issued in a Qualified Financing Round (the “**Share Price QFR**”), less EUR 1.00 per share price and by applying the formula set out in the following:

- a) Share Price QFR multiplied by 0.90 if the Qualified Financing Round is closed within the first six months after the Signing Date;
- b) Share Price QFR multiplied by 0.85 if the Qualified Financing Round is closed within the six months’ period following the period set out in lit. a);
- c) Share Price QFR multiplied by 0.80 if the Qualified Financing Round is closed within the six months’ period following the period set out in lit. b);
- d) Share Price QFR multiplied by 0.75 if the Qualified Financing Round is closed within the six months’ period following the period set out in lit. c); and
- e) Share Price QFR multiplied by 0.70 if the Qualified Financing Round is closed within the twelve (12) months’ period following the period set out in lit. d).

4.3 “**Qualified Financing Round**”) means an equity investment (one or more successive investments within a period of six (6) months) by one or more investors not yet invested in the Company, in the course of which at least [EUR 1,000,000.00] is invested in the Company. This equity investment must be concluded before [●].²

5. **Determination of the EITH Share Price after the Maturity Date**

5.1 If a Qualified Financing Round has not occurred before the Maturity Date, KIC LE may at any time after the Maturity Date request that the EITH Share shall be determined by an independent expert as set out in the following (the “**Maturity-Determination**”).

5.2 The Maturity-Determination will be structured as follows:

5.2.1 The EITH Share Price will be calculated based on a fully diluted pre money valuation of the Company determined by a specialized consulting firm (the “**External Expert**”), which shall be mandated by KIC LE on its own discretion (such valuation the “**Backup Valuation**”).

5.2.2 EITH shall inform the Company in writing before mandating the External Expert and shall ensure that the Company will be involved in the valuation process.

5.2.3 The External Expert shall calculate the EITH Share Price by multiplying the Back-up Valuation with 0.7 and by dividing such valuation with (i) the share capital of the Company (ii) plus the total amount of the virtual options, stock options, phantom shares or comparable financial instruments in the Company

² **Note LA:** Investment amount of the Qualified Financing Round should match with the business plan of the Company and should equal at least EUR 1.0 Mio.

issued to beneficiaries to the extent the respective economic burden shall be borne by all Shareholders *pro rata*, (iii) less the own shares held by the Company, at the time of the exercise of the conversion, if any, and (iv) less EUR 1.00.

- 5.2.4 KIC LE shall inform the Company about the Back-up Valuation and the EITH Share Price resulting of it in writing and shall provide the Company with the valuation report received by the External Expert (the “**Valuation Notice**”).
- 5.2.5 The Company has the right to challenge the Back-up Valuation determined by External Expert in writing within [thirty (30)] Business Days (the “**Valuation-Challenge**”) after receipt of the Valuation Notice. If the Company is not exercising this right, the Backup-Valuation becomes binding.
- 5.2.6 Upon timely and duly receipt of the Valuation-Challenge the Parties shall engage in a discussion to attempt to reach an agreement on the valuation. If the parties are unable to reach a mutual agreement within [thirty (30)] Business Days] after receipt of the Valuation Challenge by KIC LE, the following process applies:
- a) KIC LE and the Company may each refer the matter to [●], or if such accounting firm is conflicted or otherwise refuses to take on the instruction, to [●] or to any other expert as mutually agreed between the Parties (the “**Valuation Expert**”). If both firms set out in the previous sentence are conflicted or refuse to take on the instruction and if the Parties cannot mutually agree upon another Valuation Expert within two (2) weeks after any Party has requested its appointment, the Valuation Expert shall be determined, upon request of any Party, by [the chairman of the board (*Sprecher des Vorstands*) of the Institute of Chartered Accountants (*Institut der Wirtschaftsprüfer in Deutschland e.V. IDW*) in Düsseldorf (Germany)].
 - b) The Valuation Expert, acting as an expert (*Schiedsgutachter*) and not as an arbitrator, shall, based on the Valuation Methods, determine the Backup Valuation within a period of twenty (20) Business Days following its appointment, but only within the scope of the amounts of the Backup Valuation, if any, stated by the Parties during the Negotiation Period, and decide about the Backup Valuation.
 - c) The decision of the Valuation Expert shall be conclusive and binding on the Parties and shall, absent manifest or grossly negligent errors (in which case, a new expert procedure shall be initiated in accordance with the procedure set forth above), not be subject to any appeal (within the limits set forth in Section 319 of the German Civil Code (BGB)). The

Valuation Expert shall also decide on the allocation of the fees and disbursements of the Valuation Expert.

6. Determination of KIC LE's participation in case of an Activating-Event

6.1 In case of the occurrence of an Activating Event (as defined below), the following applies:

6.1.1 If the EITH Share Price was determined in accordance with Sections 4 or Section 5 at the time the Activating Event, the provisions of Sections 9, 10 and 11 apply to determine the economic participation of KIC LE as well as the rights and obligations of the Parties.

6.1.2 Otherwise, i.e. in cases where the EIT Share Price has not yet been fixed, KIC LE is entitled to get a substitute payment (the "**Substitute Payment**") whereby the Substitute Payment shall equal the Investment Amounts multiplied by 4.0 and shall become due as of the closing of the Activating-Event.

6.2 The example No. 4 in Exhibit 11.3 illustrates the calculation of the Substitute Payment.

7. EITH Share Price; Share Class

7.1 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 10.

7.2 If the EITH Share Price is determined by a Qualified Financing Round, the Parties agree that, KIC LE shall have the same rights, privileges and obligations as the most advantageous class of shares issued in the Qualified Financing Round. In all other cases, EIT Shares shall have the rights and preferences of the most advantageous class of shares existing in the Company.

7.3 Without undue delay after the event occurred for the determination of the EITH Share Price, 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 7.3** contains a sample for the respective declaration.

8. Adjustment of the Number of EITH Shares

8.1 If, after the EITH Share Price has been determined in line with this Agreement, 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.

8.2 If, after the EITH Share Price has been determined, the imputed value of each EITH Share to which KIC LE is entitled increases due to:

8.2.1 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,

8.2.2 a (simplified) capital decrease, or

8.2.3 another measure leading to comparable financial results,

the number of EITH Shares to which KIC LE is entitled shall be decreased accordingly.

8.3 The increase/decrease in the number of EITH Shares, to which KIC LE is entitled in accordance with this Section 8 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.

8.4 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 8.4 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.

9. **Activating Event, Subscription of Shares**

9.1 With the occurrence of an Activating Event the EITH Shares to which KIC LE is entitled can be subscribed by KIC LE.

9.2 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.*

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

9.3.1 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**”),

- 9.3.2 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
- 9.3.3 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
- 9.3.4 the liquidation of the Company (“**Liquidation**”).
- 9.4 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 11 remains unaffected.
- 9.5 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 with the same rights and preferences of the respective share class 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.

10. 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.

11. Compensation Payment, Definitive Settlement

11.1 Instead of offering KIC LE the position as Shareholder in accordance with Section 10, 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.

11.2 For the calculation of the Compensation Payment, KIC LE will be treated by applying the calculation formula pursuant to Section 11.3, 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.

11.3 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 for the respective share class of EITH Shares 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 11.3**.

- 11.4 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:
- 11.4.1 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 11.3;
 - 11.4.2 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.
- 11.5 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.
- 11.6 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 9.3.3 shall become due at the earliest one (1) month after the longest applicable lock-up period for a shareholder of the Company has expired.
- 11.7 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 11.4 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.

11.8 By receiving the Compensation Payment or the Substitute Payment all payment claims of KIC LE under this Agreement will be settled.

12. **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.

13. **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.

14. **Advisory Board**

14.1 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.

14.2 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.

14.3 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 14.

15. **Information Rights**

15.1 From the date of the conclusion of this Agreement and 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:

15.1.1 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;

- 15.1.2 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;
 - 15.1.3 Quarterly reporting of key performance indicators and financial analyses (BWA);
 - 15.1.4 Copies of the minutes of the advisory board, if applicable.
- 15.2 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.
- 15.3 The Company shall comply with all information requests included in the documents set forth in Section 1.9.
- 15.4 In addition to the information that the Company shall provide KIC LE with pursuant to Sections 15.1, 15.2 and 15.3 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.

16. **Reorganization of Options**

- 16.1 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.
- 16.2 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.

17. **Disputes**

- 17.1 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.
- 17.2 The Auditors' fees shall be borne as the Auditor shall determine.
- 17.3 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.

18. Shareholders' Obligations

- 18.1 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.
- 18.2 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.

19. 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.

20. Term

- 20.1 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 2039. [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.
- 20.2 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.
- 20.3 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.
- 20.4 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.

21. Transfer of Shares by Founders

- 21.1 Each Founder herewith undertakes not to transfer any Share in the Company for a period of [years] without the approval of KIC LE.³
- 21.2 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 18.1 is complied with.

³ **Note:** Vesting shall be implemented if the Company upon registration is younger than two years.

22. **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.

23. **Delivery Addresses and Authorized Recipients**

23.1 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 23.1**, 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 23.1, upon the lapse of five (5) Business Days as of receipt of such information.

23.2 Each person assigned to a Party stated in Exhibit 23.1 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.

24. **Entire Agreement, Modifications and Additions**

24.1 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.

24.2 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.

25. **Confidentiality**

25.1 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.

25.2 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

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

25.2.2 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;

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

25.2.4 disclosure is made to a Shareholder; or

25.2.5 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.

25.3 Notwithstanding the obligations from this Section 25, KIC LE is free to communicate the economic conditions of the participation of KIC LE and KIC LE for the respective programme.

26. **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.]

27. **Miscellaneous**

27.1 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.

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

27.3 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.

27.4 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 27.4 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)]

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

EIT Health e.V.

Name: Jean-Marc Bourez
Function: CEO

Name: Hans-Peter Lauffs
Function: COO

Founder 1

Founder 2

[•]

[•]

Founder 3

Founder 4

[•]

[•]

Investor 1

Company

[•]

[•]

Exhibit 1.10
regarding the Option Agreement
relating to [●]

Shareholders' Resolution

[to be inserted by the Company]

Exhibit 2.2
regarding the Option Agreement
relating to [●]

Annual Financial Plan for the Year [●]

[to be inserted]

Exhibit 7.3
regarding the Option Agreement
relating to [●]

Declaration
pursuant to Section 7.1 of the Option Agreement

We refer to Section 7.3 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;
- [⁴the 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.
- The share class of the EITH Shares is [●]

[Place], _____

[Name]

⁴ **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.

Exhibit 11.3
regarding the Option Agreement
relating to [●]

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

Calculation of the Compensation Payment (Section 11) 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 a Qualified Financing Round a total EUR 5,000,000.00 and have a one-time non-participating liquidation preference. Thus, EIT Health is on the same rank as the investors entitled to a one-time non-participating liquidation preference.
- In the Qualified Financing Round the number of EIT Shares KIC LE is entitled to has been determined as 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 and KIC LE 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 7,000,000.00.
- The investors and KIC LE exercise their non-participating liquidation preferences. Thus, KIC LE gets the invested amount of EUR 500,000.00.

Example 3

- Same numbers and facts as in Example 1, but the purchase price for 100% of the Company is EUR 5,000,000.00.
- The investors and KIC LE exercise their one-time liquidation preference of in total EUR 5,500,000.00.
- In this instance, all funds would go to the investors and KIC LE. KIC LE would get ca. 91% of its invested amount, resulting in a participation of EUR 454,545.45.

Example 4

Same number and facts as Example 1, but at the time of the sale of the Company, the number of EITH Shares has not yet been determined. In line with Section 6.1.2, KIC LE is entitled to three times the invested amount of EUR 500,000.00, resulting in a payment claim of EUR 1,500,000.00.

Exhibit 23.1
 regarding the Option Agreement
 relating to [●]

Delivery Addresses and Authorized Recipients

Party	Delivery Address and Authorized Recipients
EIT Health e.V.	<p style="text-align: center;"><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</p>
	<p style="text-align: right;"><u>To:</u> [●] [●] <u>E-Mail:</u> [●]</p>
	<p style="text-align: right;"><u>To:</u> [●] [●] <u>E-Mail:</u> [●]</p>
	<p style="text-align: right;"><u>To:</u> [●] [●] <u>E-Mail:</u> [●]</p>
	<p style="text-align: right;"><u>To:</u> [●] [●] <u>E-Mail:</u> [●]</p>