BOOSTWAY SERVICES AGREEMENT

This Boostway Services Agreement ("**Agreement**") is made

BY AND BETWEEN

KIC InnoEnergy SE, a company incorporated under the laws of The Netherlands, with registered office at Kennispoort, 6th floor, John F. Kennedylaan 2, 5612 AB Eindhoven, the Netherlands

(hereinafter called "**KIC SE**"), on the one hand,

AND

Hortilab d.o.o., a company incorporated under the laws of Croatia, having its registered office at Malogorička 3b, Velika Gorica.

(hereinafter called "**Company**"),

Hereinafter, KIC SE and the Company shall be referred to jointly as the "**Parties**" and individually as a "**Party**".

Made in Zagreb, Croatia, in 2 originals

Date	19.11.2018	19.11.2018
For	Hortilab d.o.o.	KIC InnoEnergy SE
Name	Vilim Elez	
Title	Director	
Signature	Hortilab d.o.o., Velika Gorica 3	

1. BACKGROUND

KIC InnoEnergy Boostway® is a registered trademark describing KIC SE's set of services for the boost and growth/scale-up of companies.

The Company is interested in obtaining the support from KIC SE in its consolidation process, and expansion, and therefore wishes to enter the KIC InnoEnergy Boostway® program.

2. PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to set out a) the services to be rendered by or on behalf of KIC SE to the Company, as identified in the Roadmap (as defined under section 3.3) ("**Services**"), in order to support and accelerate the project that is being developed by the Company ("**Project**"), as defined in Annex 1, and b) the terms and conditions under which such Services shall be rendered.

3. SERVICES PROVIDED BY KIC SE

3.1. The specific Services and their sequence to support the Company, as well as the timeline and milestones which the Company and KIC SE shall undertake, will be agreed after the signing of this Agreement, and once the opportunity assessment as referred to under Annex 1 ("**Opportunity Assessment**") has been issued.

3.2. If KIC SE, in its sole discretion, issues a negative Opportunity Assessment, KIC SE will communicate this to the Company. The present Agreement shall then terminate automatically in accordance with Section 11.1.

3.3. If KIC SE issues a positive Opportunity Assessment, a Project-specific roadmap of the Company will be produced (Annex 2 "**Roadmap**"), containing the Services to be provided by KIC SE and the action plan of the Company. The plan of the Parties is to negotiate the Roadmap within eight (8) weeks as from the positive Opportunity Assessment (unless the Parties decide to extend this period by mutual agreement). Examples (the below list is not exhaustive and the types of Services that will be provided vary from case to case) of the Services that KIC SE may provide to the Company under the Roadmap are listed in Annex 0:

3.4. If the Roadmap is not agreed by the Parties within the term of eight (8) weeks (extended, as the case may be) from the positive Opportunity Assessment, this Agreement may be terminated by either Party in accordance with Section 11.3.

3.5. KIC SE, or any of its partners or other qualified subcontractors, at KIC SE's sole discretion, will provide the Services to the Company.

4. FEE

4.1. **Boostway Fee Agreement**: In exchange for its provision of the Services, KIC SE shall financially share in the success of the Project through a success-based contribution (herein called " **Success Fee**"). In exchange for the KIC network gains, the Company shall pay an annual contribution (herein called "**Enrolment Fee**"). The Success Fee and the Enrolment Fee (hereinafter together "**Fee**") shall be negotiated, agreed and detailed in the "**Boostway Fee Agreement**". Once ready, such Boostway Fee Agreement shall be added as Annex 3 to this Agreement.

4.2. Once KIC SE has issued the positive Opportunity Assessment, and within the period of eight (8) weeks as from the issue thereof (or an extended term, should KIC SE agree to such extension, at its sole and free discretion), the Parties shall finalize and sign the Boostway Fee Agreement. For the avoidance of doubt, the Boostway Fee Agreement shall thus be signed in connection with (and as a condition for KIC SE agreeing to) the Parties agreeing on the Roadmap.

5. DEVELOPMENT COSTS

This Agreement does not imply any obligation for the Parties to incur costs (including staff, materials, components, subcontracting, rental of facilities, instrumentation, etc.) associated to the research, development, prototyping, manufacturing, testing, certification, marketing or advertising of the products and/or services to be developed in the Project, except for the Services to be provided by KIC SE as agreed in the Roadmap.

6. TRAVEL, LODGING AND OTHER EXPENSES DERIVED FROM THIS AGREEMENT

Unless otherwise agreed the Company and KIC SE each agree to bear travel, lodging and other expenses incurred by its own staff in relation to the Project and Services detailed in this Agreement.

7. INTELLECTUAL PROPERTY

7.1. The Company shall ensure that the ownership of existing intellectual property relating to the Project ("**Background IP**") is vested in the Company and is adequately protected, unless different provisions apply as specified in Annex 4. The Company guarantees that no rights in or to the Background IP have been granted to third parties, except as under agreements secured before entering into this Agreement and expressly disclosed to KIC SE prior to the signing of this Agreement in Annex 4.

7.2. Furthermore, the Parties agree that all the intellectual property rights that may be generated in connection with the Project ("**Foreground IP**"), will be assigned to the Company without any cost. The Company guarantees towards KIC SE that the Company owns all Foreground IP. The Company thus undertakes to procure that the employees of the Company as well as consultants engaged by the Company agree to be bound by provisions that ensure the Company's ownerhship of any such Foreground IP.

8. CONFIDENTIALITY

8.1. For the purpose of this Agreement **"Confidential Information"** shall mean any technical and/or commercial information, including but not limited to any documents, drawings, sketches or designs, materials, samples or prototypes disclosed or supplied (a) either by KIC SE and its Partners (as defined below), or (b) by the Company to the other Party, and which at the time of its disclosure is identified or can reasonably be considered to be of a confidential or proprietary nature.

8.2. Each Party undertakes to treat any and all Confidential Information as confidential, to use it solely for the purpose of the evaluation, definition, realization and follow-up of the Project ("**Authorized Purpose**") as stated in this Agreement, not to disclose it to any third party, except to its advisors and auditors and not to make it publicly available or accessible in any way, except with the prior written consent of the disclosing Party. The Company is aware that KIC SE, within the Authorized Purpose, involves and uses its so called CC's as well as some of its shareholders, shareholders of these CC's and other contractual partners of these CC's, and qualified subcontractors, including advisors and auditors (commonly referred to as "**Partners**"). The Company hereby agrees that KIC SE may disclose Confidential Information as well as other information provided by the Company to such Partners only to the extent such Partners require Confidential Information, provided that the Partners have committed themselves to confidentiality obligations substantially equivalent to the obligations of the Parties under this Agreement.

8.3. The obligations specified in section 8.2 above shall not apply with respect to any Confidential Information which:

a. the receiving Party can prove has been known to it prior to the time of its receipt pursuant to this

Agreement; or

b. is in the public domain at the time of disclosure or thereafter enters the public domain without breach of the terms of this Agreement and/or any other confidentiality obligation; or

c. the receiving Party can prove has become known to it through disclosure by sources other than the disclosing Party, having a right to disclose such information; or

d. the receiving Party can prove has been developed independently by an employee of the receiving Party who has not had access to any of the Confidential Information of the disclosing Party; or

e. KIC SE has to provide to governmental, supranational or other competent authorities, including but not limited to the European Institute of Innovation and Technology.

8.4. Unless it is necessary for the purpose stated in this Agreement and provided that any disclosed Confidential Information or any copy thereof is made accessible only to such employees and Partners (as defined above) who have a need to know, the receiving Party shall not, without the prior written consent of the disclosing Party, copy or reproduce any item or document supplied to the receiving Party - being or containing in whole or in part Confidential Information. The receiving Party shall return such item or document and any copies thereof at the disclosing Party's written request, and at the latest on termination of this Agreement. This shall not apply to copies of electronically exchanged Confidential Information made as a matter-of-routine information technology back-up, and to Confidential Information or copies thereof which must be stored by the receiving Party according to mandatory law, provided that such Confidential Information or copies thereof shall be subject to an indefinite confidentiality obligation.

8.5. All Confidential Information shall remain the exclusive property of the disclosing Party as well as all patent, copyright, trade secret, trademark and other intellectual property rights therein. No license or conveyance of any such rights to the receiving Party is granted or implied under this Agreement. No commercial obligation on the part of a Party is intended or undertaken. The Parties agree that any Confidential Information is made available "as is" and that no warranties of any kind are granted or implied with respect to the quality of Confidential Information, including but not limited to, its fitness for any purpose, non-infringement of third party rights, accuracy, completeness or correctness.

8.6. The Party receiving Confidential Information including materials, samples, prototypes or similar items, shall not analyse it, chemically, by reverse engineering, or otherwise, in order to determine the identity and/or properties of its components. To the extent that such items have not been destroyed or used during evaluation tests and unless there is another agreement between the Parties, they shall be returned to the supplying Party upon request, and at the latest on termination of this Agreement.

8.7. The obligations of confidentiality as per this Section 8 shall survive the termination of this Agreement. For the avoidance of doubt, such confidentiality obligation shall apply regardless whether the Opportunity Assessment has been positive or negative.

8.8. The Company shall procure that its officers, employees and/or consultants participating in the Project commit themselves to the same confidentiality undertaking as the Company and the Company shall be liable towards KIC SE in case of a breach by any such officers, employees and/or consultants.

9. DUTIES OF THE COMPANY

9.1. During the term of this Agreement, the Company commits to: (i) not carry out any act of disposal or management outside the ordinary course of business that may have an impact on the Project, without the prior written authorization of KIC SE; and (ii) procure that the activities are managed in a prudent and diligent manner, under the principle of going concern in the ordinary course of business and consistent with the practice followed so far so as not to jeopardize the Project, and (iii) immediately inform KIC SE of any change of ownership of the Company (directly or through any holding company)

and/or any pledge or other encumbrances relating to the shares of the Company (each a "**Change of Control**").

9.2. The Company commits to use its best commercial efforts to (i) develop all the activities detailed in the Roadmap in accordance with the terms and conditions agreed (ii) ensure that each of the key persons listed in Annex 5 ("**Key Persons**") is fully engaged in the Project. The Company shall immediately notify KIC SE if any Key Person leaves the Company or is no longer fully engaged in the Project.

9.3. The Company must keep KIC SE informed of every item directly affecting the Project, and in particular of:

a. negotiations with any financial institution or investor in the Project;
b. matters related to intellectual property;
c. significant market issues;
d. new technical data;
e. evolution of economic data,

and more generally of everything that may advance and/or hinder the Project or significantly enhance and/or impede its chances of success.

9.4. The Company shall provide KIC SE - in sufficient time upfront to allow KIC SE to perform the Opportunity Assessment -, without charge, with all information, materials, devices, documents and things, plans, etc., necessary for the fulfilment of the Services, and shall do so, if necessary, at their own cost. Failure to provide such information may result in KIC SE refusing to perform the Opportunity Assessment and/or suspend its perfomance under this Agreement.

9.5. The Company shall cause its Key Persons to participate in the events sponsored by or in which KIC SE participates to promote entrepreneurship and business creation.

9.6. For statistical purposes, The Company undertakes once a year, during the term of this Agreement and/or the Boostway Fee Agreement, whichever agreement runs longer, and up to five (5) years thereafter, to provide business information in a format to be provided by KIC SE in due course, that will include (among other things) the following data:

a. legal status;
b. turnover for the year;
c. gross trading profit;
d. net results before and after tax;
e. capital evolution and composition, investment raised;
f. total for research tax credit;
g. number of jobs created;
h. new patents/patents evolutions.

The exact data to be provided and the deadline for providing it will be communicated in due course by KIC SE.

9.7. The Company hereby explicitly and unequivocally agrees to the royalty free use of the Company's logotypes, trademarks, company and trade names, photographs and/or movie image by KIC SE (during Business Creation or Boostway events or not) for advertising and communication purposes and for the statistical purposes described above, and, for these purposes, waives the right to invoke any and all intellectual property rights, including but not limited to portrait rights, against KIC SE, as regards to any logotypes, trademarks, company and trade names, photograph and/or movie image that was submitted by the Company to KIC SE and/or made by KIC SE. The Company shall ensure that the same statement is undertaken by its officers or employees participating in the Services. This

section applies to the maximum extent permitted by applicable law. The privacy policy of KIC SE (as posted on www.kic-innoenergy.com) shall apply.

9.8. The Company undertakes to mention KIC SE as supporter of the Project in the presentations made to third parties (including media), as well as on the Company's website and in any other notice or publicity of the Project; for such purposes the Company shall use the "Venture supported by KIC InnoEnergy" logo provided by KIC SE from time to time. Each Party may announce and mention on its website its link with the Project and make public this link in other specialized media, with previous agreement of the contents of the announcement, with the other Parties.

9.9. The Company will give access to financial statements (updated information) and books (to properly plan the Fee agreement and co-develop the financial plan as part of the support provided through the KIC InnoEnergy Boostway®).

10. DURATION

This Agreement enters into force at the date KIC SE countersigns this Agreement ("**Effectice Date**"), which will only be countersigned by KIC SE after the Company has signed the Agreement first. The duration of this Agreement and therefore the Services provided by KIC SE to the Company will depend on the Roadmap, and be subject to Section 11.

11. TERMINATION

11.1. The Agreement shall be terminated automatically if KIC SE issues a negative Opportunity Assessment. If the reason for the negative Opportunity Assessment is attributable to the Company acting unreasonably, the Company shall reimburse KIC SE for the actual costs and damages KIC SE may have incurred in the period until it issues the negative Opportunity Assessment.

11.2. Until the moment KIC SE issues an Opportunity Assessment and/or Parties have entered into the Roadmap and the Boostway Fee Agreement, each Party may unilaterally terminate this Agreement, by giving at least fifteen (15) days prior written notice to the other Party. If the Company terminates this Agreement in accordance with this Section 11.2, the Company will reimburse KIC SE for the actual costs KIC SE may have incurred during the Opportunity Assessment and/or Roadmap process.

11.3. Each Party may terminate this Agreement with immediate effect if the Roadmap and the Boostway Fee Agreement have not been agreed between the Parties within the established eight (8) week period (extended, as the case may be) as set out in Section 3.3 above. If such failure is attributable to the Company acting unreasonably, the Company shall reimburse KIC SE for the actual costs KIC SE may have incurred during the Opportunity Assessment and/or Roadmap process.

11.4. KIC SE may unilaterally terminate this Agreement in writing at any time for convenience, by giving at least one (1) month's prior written notice, once the Roadmap is agreed and the Boostway Fee Agreement have been signed. In this case this Agreement, including the Roadmap and the Boostway Fee Agreement automatically terminate on the effective date of termination and no party has any further right or obligation thereunder.

11.5. KIC SE may unilaterally terminate this Agreement in writing without notice, once the Roadmap is agreed and the Boostway Fee Agreement has been signed:

i. if the Company voluntarily abandons the work in the Project for a period of more than six (6) consecutive weeks or more than eigth (8) weeks within three (3) consecutive months, without prior consent of KIC SE;

ii. if the Company breaches its obligations under this Agreement and/or the Boostway Fee Agreement and fails to cure the breach within 14 days after having been notified of the breach by

KIC SE, unless the breach is not capable of remedy, in which case KIC SE can terminate the Agreement immediately;

iii. if the Company is declared bankrupt or otherwise deemed insolvent; or

iv. in case of a Change of Control, without KIC SE's prior written consent.

In case of a termination pursuant to this Section 11.5:

a. this Agreement, including the Roadmap and the Boostway Fee Agreement automatically terminate on the effective date of termination; and

b. the Company is liable for all future Fee payments missed by KIC SE.

11.6. Once the Roadmap is agreed and the Boostway Fee Agreement have been signed, the Company may unilaterally terminate this Agreement in writing:

i. at any time for convenience, by giving at least one (1) month's prior written notice. In such case, this Agreement, including the Roadmap and the Boostway Fee Agreement automatically terminate on the effective date of termination. As from the effective date of termination, KIC SE is no longer required to provide the Services but it remains entitled to the future Fee payments it would have normally received had the Agreement not been terminated.

ii. if KIC SE voluntarily and without cause stops to provide substantially the Services according to this Agreement for a period of more than four (4) consecutive weeks or more than six (6) weeks within three (3) consecutive months without prior consent of the Company and KIC SE has not cured this breach within four (4) weeks after having been notified thereof in writing by the Company. In such a case, the Agreement, including the Roadmap and the Boostway Fee Agreement automatically terminate on the effective date of termination as a result of the breach by KIC SE, subject to the limitations set forth in Section 12.

12. WARRANTIES AND LIABILITY

12.1. The Parties agree to collaborate in good faith and shall use all reasonable efforts to ensure that all exchanged information is updated, correct, true, complete and according to their best knowledge.

12.2. The Parties disclaim all warranties, express or implicit, with regard to the information exchanged during the performance of the Services and the future technical or economic performance of any device, prototype, intellectual property, product, service, process, activity or investment involved in the Services object of this Agreement.

12.3. Except in the event of wilful intent or gross negligence, KIC SE shall have no liability whatsoever for:

a. a non-selection of the Project,
b. a failure of the Project for any reason whatsoever,
c. any consequence of the Company's use of the results of the Services,
d. a claim by a third party on whatever grounds against the Company,
e. theft and damage to equipment and/or data at the premises provided by or for KIC SE.

12.4. In no event shall KIC SE be liable for any indirect losses, such as but not limited to lost data, lost profits, diminished production, costs of retaining another consultant, costs of equipment and similar costs or losses.

12.5. The limitation of liability under this Section 12 shall also apply to the employees of KIC SE, its Partners and employees of such Partners.

12.6. The Parties shall notify each other in writing without delay of any damage for which the other Party is alleged to be responsible, and shall give the other Party the opportunity to examine the damage and its cause.

13. GOVERNING LAW AND JURISDICTION

This Agreement will be governed by and construed in accordance with Dutch law. In case of a dispute, the competent court in Amsterdam, the Netherlands shall have exclusive jurisdiction.

14. MISCELLANEOUS

14.1. This Agreement is the entire agreement between KIC SE and the Company regarding the Services. Any modifications to the provisions of this Agreement shall be made in writing. This Agreement shall prevail over its annexes, including the Boostway Fee Agreement.

14.2. If any provision of this Agreement is invalid or unenforceable, the validity of the remaining provisions shall not be affected. The Parties shall replace the invalid or unenforceable provision by a valid and enforceable provision that will meet the purpose of the invalid or unenforceable provision as closely as possible.

14.3. No Party shall assign its rights and obligations under this Agreement without the prior written consent of the other Party.

Annex 0

Services	KIC network gains
The engagement of external experts that assist the Company in meeting the objectives of the Project;	benefit from KIC's experience gained from providing support to over 200 companies in the energy sector;
The engagement of a Project Champion (a Boostway project coach);	Access to funding through KIC's investment network
Support for conducting market expansion	Exposure to the InnoEnergy Ecosystem.
Support for Industrialization Plan;	
Support in developing a strategic plan and an action plan to meet the objectives of the Project.	

Annex 1

Definition of the Project

HORTILAB PROFILE

Found in 2010, Hortilab is the only full commercial bio-technology company in South Eastern Europe. It was founded by Vilim Elez, young student with experimental spirit and holder of several national agronomy awards and recognitions.

Figure 1: Hortilab tissue culture process



Hortilab value lies in bio-technology tissue culture production process (figure 1). Simply explained, tissue culture is producing genetically identical plants without the constant battle with infectious and genetic mutations carried down from the mother plant. Tissue culture cultivation produces efficiencies of scale that are incomparable to the conventional farming.

Hortilab bio-technology process is at the very first step of overall food production chain and provides input for later value chains (Planting, Harvesting, Packaging, Distributing, Food preparation). As such we have tremendous impact on future yield and growth of the plant. Production and quality control in the Hortilab laboratory is based on the latest and affirmed scientific methods of tissue and cell culture in "in-vitro" conditions. We use these techniques to produce virus-free plants without the presence of external agents, disease and pathogens. This modernized technology is also used to produce seedlings for our greenhouse nurseries, where we maintain optimum climate conditions that allows us to get quality products, even throughout the winter months.

KEY PRODUCTS

Current key products (figure 2) that Hortilab offers are:

1) In-vitro aquarium plants
2) in-vitro seedlings
3) acclimatized aquarium plants and fruit seedlings

Most of our production is exported to 35 countries worldwide.

Figure 2: Hortilab key products



PARTNERSHIP WITH INNOENERGY

Furthermore, Hortilab plans to partner with Innoenergy through Boostway program. Ultimate goal of partnership is to get support on capacity expansion, product development and further internationalization and market entry.

Annex 2

Roadmap

[to be annexed upon completion in accordance with Section 3.3 of the Agreement]

Annex 3

Boostway Fee Agreement

[to be annexed upon completion in accordance with Section 4.1 of the Agreement]

Annex 3

BOOSTWAY FEE AGREEMENT

This Boostway Fee Agreement ("**Fee Agreement**") is made

BY AND BETWEEN:

KIC InnoEnergy SE, a company incorporated under the laws of The Netherlands, with registered office at Kennispoort, 6th floor, John F. Kennedylaan 2, 5612 AB Eindhoven, the Netherlands

(hereinafter called "**KIC SE**"), on the one hand,

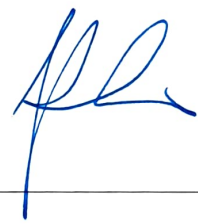
AND

Hortilab d.o.o., a company incorporated under the laws of Croatia, having its registered office at Malogoricka 3b, Velika Gorica

(hereinafter called "**Company**"),

Hereinafter, KIC SE and the Company shall be referred to jointly as the "**Parties**" and individually as a "**Party**".

Made in Zagreb, Croatia, in 2 originals

Date	10.07.2019	10.07.2019
For	Hortilab d.o.o.	KIC InnoEnergy SE
Name	Vilim Elez	Jakub Miler
Title	Director	The Proxy
Signature		

1. **DEFINITIONS**

For the purpose of this Fee Agreement:

"**Affiliate**" means any legal entity that is under the direct or indirect control of the Company, or under the same direct or indirect control as the Company, control taking any of the following forms: either the direct or indirect holding of more than 50% (fifty per cent) of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity; or the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

"**BSA**" means the Boostway Services Agreement concluded between the Parties to which this Fee Agreement forms an annex.

"**Fee**" means jointly the Success Fee and the Enrolment Fee.

"**Gross Revenues for Annual Sales and/or Annual Licenses**" means the total amount charged by the Company to its clients for the sales of the Products and/or the licensing of the in one calendar year before deduction of discounts, rebates, refunds or subsidies of the customers, and minus VAT.

"**Enrolment Fee**" means an annual fee (as fixed in Section 4.2) that the Company shall pay to KIC SE in return for the KIC network gains it receives.

"**Product and/or Technology**" means the final solution developed, (to be) manufactured and distributed by the Company described in **Appendix 1**, and/or the technology and/or application solution described in **Appendix 1**, which is protected by Background IP and Foreground IP, including such Product's and/or Technology's future developments, improvements, Updates and Upgrades.

"**Sold Product and/or Licensed Technology**": a Product and/or Technology will be considered respectively as "sold" (for a Product) or "paid" (for a license of the Technology) when it has been invoiced by the Company to a client, or transferred (for a Product) or granted (for a license) by the Company to a client in exchange for a non-monetary compensation, or used by the Company, or any of its Affiliates for internal purposes (other than purely non-commercial R&D and demonstration purposes). For the avoidance of doubt, if the commercial exploitation of the Product is carried out by any of the Affiliates of the Company, the transfer by the Company of a Product to such Affiliate shall not be considered as a Product being "sold" by the Company to an Affiliate on the conditions that: (i) in this case, such Affiliate commercializes the Product received (and does not use it internally as defined under the above paragraph), (ii) KIC SE has been duly informed of such change of commercializing entity prior to such change being effective and has given its prior written consent to such change, and (iii) such Affiliate is bound by the same (Fee) obligations that apply to the Company under this Fee Agreement.

"**Success Fee**" means a percentage (as fixed in Section 4.2) of the Gross Revenues for Annual Sales and/or Annual Licenses charged by the Company for Sold Product and/or Licensed Technology in a calendar year which KIC SE is entitled to in return for the Services it provides to the Company.

"**Update**" means any modification, enhancement, error correction, maintenance release and/or revisions to the Product and/or Technology other than an Upgrade.

"**Upgrade**" means a version of the Product and/or Technology or any part thereof to which capacities or additional functionalities compared to the immediately previous version of the Product and/or Technology have been added.

All other capitalized terms used but not defined in this Fee Agreement shall have the same meaning as in the BSA.

2. ROLES AND RESPONSIBILITES OF THE PARTIES

2.1. The Parties have performed / shall perform the following obligations:

a) Development and exploitation of the Product and/or Technology

The Company has created, developed and tested the Product and/or Technology, or has created and/or developed the Product and/or Technology, as described in **Appendix 1**.

KIC SE will contribute to develop the Product and/or Technology and the related business through the provision of certain Services according to the terms agreed in the BSA.

The Company shall be responsible for the future developments of the Product and/or Technology and, with respect to the Product, the manufacturing and operation thereof, including among others: maintenance, repair, technical assistance and post-sales services (altogether '**Product Maintenance**'), and/or, with respect to the Technology, the future developments of the Technology and the licensing thereof, including among others: maintenance, technical assistance and support services (altogether '**Technology Maintenance**').

All costs related to such future Product Maintenance and/or Technology Maintenance shall be borne by the Company.

b) Upgrades, Updates and new Products and/or Technologies

The Company will be the designated Party to introduce Updates and/or Upgrades to the Product and/or Technology, as may be required to adapt the Product and/or Technology to the changing needs of the market, or to respond appropriately to the developments in competitors' activities.

In any case, any Update and/or Upgrade will be automatically included in the scope of the present Fee Agreement and it will not imply any right for the Company to demand any additional economic consideration.

If the Company develops a new product and/or technology using, totally or partially, the Foreground IP, KIC SE will be entitled, with preference over any third party, to request that such new product and/or technology is commercially exploited under the same conditions set forth in this Agreement.

2.2. The Parties agree to detail the obligations established in this section 2 through separate agreements of manufacturing, marketing, collaboration and/or transfer of assets, according with the principles agreed in this section.

3. INTELLECTUAL PROPERTY AND NEW MECHANISM OF PROTECTION

3.1. **IP Ownership**

Notwithstanding the Fee right of KIC SE agreed in section 4, all rights, titles or interests related to Background IP and Foreground IP, as well as any other intellectual or industrial property right on the Product and/or Technology shall belong to the Company.

3.2. **Protection**

The Company will be responsible for protecting - in the most appropriate way - the Foreground IP rights, as well as any other intellectual property right in the Project.

In this respect, the Company will be responsible for the preparation, presentation, defence and preservation of the patent rights; the Company is committed to pay 100% of the cost associated to the patent and any other cost related to the registration of the same.

If a new patent is obtained on a part or the whole of the rights on the Foreground IP and/or the Product and/or Technology, the Parties agree that said patent will be automatically included in the scope of this Fee Agreement.

4. SALES REVENUE AND FEE FOR KIC SE

4.1. **Sales Revenues**

The Company shall promote and sell the Products and/or license the Technology, as per section 2 of this Fee Agreement, under market conform sales prices and policies and/or under market conform license tariffs, terms and conditions.

4.2. **Fee for KIC SE**

a) The Fee is due annually.

b) The Fee is comprised of:

(i) an Enrolment Fee in the amount of EUR 10.000 per 2019, EUR 25.000 per 2020 and EUR 30.000 per 2021, with this reservation that an Enrolment Fee in the amount of:

EUR 10.000 per 2019 is payable in instalments as follows:

- EUR 2.500 until 31.03.2020

- EUR 2.500 until 30.06.2020
- EUR 2.500 until 30.09.2020
- EUR 2.500 until 31.12.2020

EUR 25.000 per 2020 is payable in instalments as follows:

- EUR 6.250 until 31.03.2021
- EUR 6.250 until 30.06.2021
- EUR 6.250 until 30.09.2021
- EUR 6.250 until 31.12.2021

EUR 30.000 per 2021 is payable in instalments as follows:

- EUR 7.500 until 31.03.2022
- EUR 7.500 until 30.06.2022
- EUR 7.500 until 30.09.2022
- EUR 7.500 until 31.12.2022

(ii) a Success Fee fixed at:

- 1.7% of the Gross Revenues for Annual Sales and/or Annual Licenses per 2020
- 2% of the Gross Revenues for Annual Sales and/or Annual Licenses per 2021
- 2.2% of the Gross Revenues for Annual Sales and/or Annual Licenses per 2022
- 2.2% of the Gross Revenues for Annual Sales and/or Annual Licenses per 2023
- 2.2% of the Gross Revenues for Annual Sales and/or Annual Licenses per 2024
- 2.2% of the Gross Revenues for Annual Sales and/or Annual Licenses per 2025

c) The first billing period is 2019 and the last billing period is 2025.

5. KIC SE'S INFORMATION RIGHTS

KIC SE will have the right to be duly informed promptly of the following:

a) in relation to the Product and/or Technology

i. any Update or Upgrade of the Product and/or Technology, or in the case that the Company develops a new Product and/or Technology incorporating partially or totally the Foreground IP.

ii. the protection measures adopted in relation to the Foreground IP rights and/or in case of request of any patent related to the Product and/or Technology or the Background IP, as established in section 3.2 of this Fee Agreement, as well as any other change envisaged in relation to the rights on the patent.

b) in relation to the Fee

The Company shall provide to KIC SE within 15 (fifteen) days after the end of each quarter of a calendar year, the following:

i. a detailed list of Products and/or Technology sold/licensed during that quarter ("**Quarterly List of Sold Products**");

ii. the Fee due to KIC SE over that period, taking into account the Products 'sold' and/or the licenses of the Technology 'paid', as established in section 4.2 of this Fee Agreement.

c) Significant Changes

any substantial change in the way that the Product and/or Technology is marketed, including but not limited to: changes in the marketing model, the trading companies, sales price policy, or in respect of individual negotiations with potential customers that deviate substantially from what was agreed in the pricing standard sales attached as **Appendix 1**.

In the event that said changes have a significant negative impact on the agreed Fee for KIC SE (as established in section 4.2 above), the Company shall negotiate in good faith an alternative agreement with KIC SE with the purpose of providing to KIC SE a similar contribution as the one initially agreed, before such changes can be implemented.

All notifications mentioned in this section 5 will be made by any means that proves its receipt.

6. PAYMENT OF THE COMPENSATION, RECORDS AND AUDIT

6.1. With the reservation of point no 4.2b (i) and based on the information provided by the Company under section 5 of this Fee Agreement, and accepted by KIC SE as correct, KIC SE shall issue an invoice to the Company for the Fees (or its instalments) payable for the previous calendar year. The Company shall pay the Fee to KIC SE within thirty (30) days as from the date of the invoice of KIC SE.

6.2. All amounts shall be paid in Euros and net of any costs, taxes, duties, import and export fees, which are imposed by any governmental entity or authority. The Company shall pay all amounts due hereunder by wire transfer to the bank account designated by KIC SE in writing. The Company shall not offset, withhold or reduce any payment(s) due to KIC SE.

6.3. In case of late payment, the Company shall owe KIC SE interest over the outstanding balance payable on a monthly basis from the due date until payment in full, at the official rate of interest set from time to time by the government of the country in which the Company is incorporated.

6.4. The Company shall keep complete and accurate books and records relating to the sale of the Product and/or licenses of the Technology, including any underlying documentation evidencing the sales and/or license fees due, such as the (sales) declarations of the licensees (if the license fees are based on products embedding the Technology sold by the licensees), as well as the proper determination of the Fee due, and shall keep the books and records available for a period of 3 (three) years following such disposition.

6.5. During the term of this Fee Agreement and for a period of 1 (one) year thereafter, KIC SE's designated representatives and independent auditors shall have the right, no more than once per year, upon a 15 (fifteen) days prior written notice, to inspect the facilities used by the Company and to audit all relevant books and records of the Company to ensure the Company's compliance with the terms and conditions of this Fee Agreement, including, without limitation, to verify the content of sales and/or licensing declarations of the Company, and the proper payment of the Fee due. However, if in KIC SE's reasonable belief the Company is in breach of its undertakings hereunder, KIC SE can compel the Company to permit more than one audit per year. Such audits will be conducted during the Company's normal business hours. The Company shall reasonably co-operate and provide all such reasonable assistance in connection with such audit as KIC SE and/or its auditors may require.

6.6. The Company shall promptly pay KIC SE any amounts shown by any such audit as being due. If the amounts due to be paid to KIC SE are greater than the amounts actually paid to KIC SE, the Company shall promptly pay any such payment shortage with interest calculated from the date of such underpayment subject to a monthly interest at the official rate of interest set from time to time by the government of the country in which the Company is incorporated.

7. CONFIDENTIALITY

The Parties shall keep confidential and not disclose nor use any confidential information received under this Fee Agreement, or obtained as a result of the negotiation of the Parties in relation to this Fee Agreement, for other purposes than implementing the BSA, this Fee Agreement and other related agreements. The confidentiality provisions of the BSA shall apply *mutatis mutandis* to this Fee Agreement.

8. TERM AND TERMINATION

8.1. This Fee Agreement will enter into force on the date it is signed by both Parties and shall terminate automatically as soon as the last Fee payment has been made.

8.2. Sections 11.4 – 11.6 of the BSA shall apply *mutatis mutandis* to this Fee Agreement.

9. MISCELLANEOUS

Upon signing, this Fee Agreement becomes an integral part of the BSA. All provision of the BSA that are not specifically covered by this Fee Agreement apply *mutatis mutandis*.

Appendix 1

The Company has created, developed and tested the Product, which Product shall mean a group of products:

1) In-vitro aquarium plants
2) In-vitro seedlings
3) Acclimatized aquarium plants and fruit seedlings

And other products including but not limited to the list mentioned above and all the products that will be developed in the future.



InnoEnergy Boostway™ Road Map of Hortilab

Introduction

This road map has been prepared for the purposes of development of Hortilab development plan.

This document presents the most important information needed to start and implement project. It was designed for better coordination, developmwent and effective communication between the parties involved in its implementation.
It contains finacial data in time frame as well as divided into areas.

Aim of the project

Since Hortilab currently cannot meet upcoming demand, it is of vital importance to expand capacities and enter the market with new and innovative products in the region – fruit plants. Following global success with aqua plants, we plant to expand capacities 9-10 times in the next 2-3 years.

Aim of the project is to set foundation and prepare Hortilab for global/regional expansion by providing sufficient funding in: (1) infrastructure and (2) equipment and (3) human resources.

	Description
1 Growth and capacity increase	• **First priority is to expand current production capacities by 9 - 10 x to be able to increase production and meet demand levels**
2 New product line expansion	• **Focus strongly on fruit segment and expand in EU and region** • **Keep current aqua segment to ensure steady cash flow to finance current activities** • **In both segments we primarily continue working with B2B**
3 Brand strengthening	• Become **quality and reliable seedlings producer for SEE region** • Develop footprint and presence in region • Obtain product quality confirmation: – Patent rights for distribution (ongoing) – Confirmation that our plant seedlings is DNA authentic (ongoing)
4 Hire and retain top talents	• **Increase salaries of top people above industry average** • **Hire more people following capacity expansion**
5 Operational improvements	• **Constant focus on plant quality improvement through R&D activities and operational tracking through software** • **Leverage economies of scale and volumes (transportation costs, raw materials discounts)**

Nr	ACTIVITY	DESCRIPTION/OBJECTIVE	STRATEGIC GOAL	BUDGET [EUR]	2019	2020
1	**Greenhouse extension**	Expansion into new product line: fruit plants. There are several uses of the extended greenhouse: - In-vitro plant life extension: once plants are produced in laboratory; their life can further be extended (thus lower costs per plant) in greenhouse (open to external particles and not in-vitro anymore - To acclimatize fruit plants developed in sterile in-vitro conditions in laboratory.	Growth and capacity increase	28,000	28,000	
2	**Automatic climate control and irrigation**	Automation of greenhouse is primarily done to ensure two things: - Ensure right conditions for plants regardless of external conditions - Reduce employee costs since human supervision during weekends would not be necessary - Notify supervisor on any deviations within greenhouse through GSM messaging	Operational improvements	3,000	3,000	
3	**Laboratory extension capacity for climate room**	Current laboratory capacity cannot meet forecasted demand. Expansion of +50 m2 would be added right next to expanded greenhouse zone. This will bring space for additional 50,000 in-vitro plants.	New product line expansion	24,000	24,000	
4	**Automatic repotting/transplanting system for trays and pots**	Electronically controlled electro pneumatic system for bedding on into pots and trays can replace up to 5 workers in production line per month and can plant 1200-1500 plants/hour Actual savings depends on volumes and hours in production. In order to meet current demand and scale further, automated machine is necessary for Hortilab to ensure low costs/plant.	Growth and capacity increase	33,000	6,600	26,400
5	**Automatic soil filling system and plant potting machine**	Automated soil filling system will lead to improved and sophisticated nurseries for decades. Need for system arises from current demand that Hortilab plans to meet in short term. System must have central adjustment system to allow workers to quickly switch between pot sizes, saving time and money. It can replace up to 3 workers per month, depending on the volumes and scale.	Growth and capacity increase	16,000	3,200	12,800
6	**Architectural plan and permits for building new laboratory**	Laboratory specification and building is regulated and thus requires all necessary permit prior to construction start. Since long-term plan of Hortilab is to expand but have limited funds in current funding phase, we want to start raising and planning all necessary elements in advance Even though this activity will not produce direct monetary results immediately, it will allow us faster movements afterwards.	Operational improvements	15,000	3,000	12,000

7	New employees in 2019	Additional funding from EU and InnoEnergy will be used to expand current capacities. In addition, Hortilab needs to employ people to handle expanded infrastructure. Most of infrastructure will be built / deployed in 2019, therefore majority of costs for people will have to be spend in mid to end 2019. Planned amount of people: 2019 – 4 employees full time for 12 months 2020 – 1 employee full time for 12 months	Growth and capacity increase	39,000	39,000	0
8	New employees in 2020	Additional funding from EU and InnoEnergy will be used to expand current capacities. In addition, Hortilab needs to employ people to handle expanded infrastructure. Most of infrastructure will be built / deployed in 2019, therefore majority of costs for people will have to be spend in mid to end 2019. Planned amount of people: 2019 – 4 employees full time for 12 months 2020 – 1 employees full time for 12 months	Growth and capacity increase	9,000	0	9,000
9	R&D on new plants (assumes purchase of new plants and varieties)	Hortilab can put in-vitro to in-vivo plants with following process: - Propagation of existing in-vitro plants that Hortilab doesn't have in prodution - Sterilization of plants living in natural habitat that do not exist in Croatia Both processes require purchase of samples that normally comes from different laboratories or nurseries	New product line expansion	8,000	8,000	0
10	Cost of material and utilities due to bigger production from new workers in 2019	Hortilab needs to employ people to handle expanded infrastructure. Consequently, additional cost for variable costs such as materials will increase. Requested funding should help to cover these expenses.	Growth and capacity increase	11,000	11,000	0
11	Cost of material and utilities due to bigger production from new workers in 2020	Additional funding from EU and InnoEnergy will be used to expand current capacities. In addition, Hortilab needs to employ people to handle expanded infrastructure. Consequently, additional cost for variable costs such as materials will increase. Requested funding should help to cover these expenses.	Growth and capacity increase	3,000	0	3,000
12	Buy-out of patents and production rights	Hortilab plan is to expand regionally with fruit plants. Hortilab already cooperates with German institute that is only relevant body to confirm in-vitro plant authenticity. By obtaining patent rights, i.e. authenticity of plant species Hortilab will achieve following: - Higher profitability per plant if there are patent rights, i.e. confirming authenticity of plant species - Exclusive right to distribute patent-approved fruit plants in South-east Europe	New product line expansion	5,000	0	5,000

13	**Tracking software for in-lab operations**	Hortilab recently invested in software tool – G PDA – plant production software. It is custom made tool specially designed for invitro laboratories and can track various information in the lab that can ensure smooth and flawless operations in lab. The software tracks following process steps: - Plant type - Production volumes - Production stages - Demand and supply mgmt. - Employees tracking - Climate chamber unit positioning - Plant shelf life management	Growth and capacity increase	4,700	2,000	2,700
14	**Marketing - new label design and print**	Expanding in **new product** line will requires additional marketing efforts such as: - New and improved web site - Web shop integration with Hortilab demand and supply mgmt. - Marketing activities related to promotion (Facebook, fairs, PR, direct calls) - Visuals and video creation	Brand strenghtening	10,000	10,000	0
				208,700	**137,800**	**70,900**

	Project milestones (Items) & Capital Breakdown	Total	Total 2019				Total 2020 onwards			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Capacity and equipement	€ 28,000								
1	Greenhouse extension (2 units x 600 m2 capacity)	€ 3,000			28,000					
2	Greenhouse extension - automatic climate control and irrigation for 2 units	€ 24,000			3,000					
3	Laboratory extension capacity for climate room (50 m2)	€ 33,000			24,000					
4	Automatic repotting/transplanting machine for trays and pots	€ 16,000				6,600	8,800	8,800	8,800	
5	Automatic soil filling machine and plant potting machine					3,200	4,200	4,200	4,400	
	Staffing and research	€ 39,000								
7	New employees 2019	€ 9,000		9,000	15,000	15,000				
8	New employees 2020	€ 8,000					7,000	2,000		
9	R&D on new plants (assumes purchase of new plants and varieties)				8,000					
	Materials									
11	Cost of material and utilities due to bigger production from new workers in 2019	€ 11,000				11,000				
12	Cost of material and utilities due to bigger production from new workers in 2020	€ 3,000					3,000			
	Product and software									
13	Buy-out of patents and production rights	€ 5,000						5,000		
14	Tracking software for in-lab operations	€ 4,700			1,000	1,000	1,350	1,350		
15	Architectural plan and permits for building new laboratory	€ 15,000			1,000	3,000	11,000			
16	Marketing - new label design and print	€ 10,000			10,000					
	Total Project costs	208,700	-	9,000	90,000	39,800	35,350	21,350	13,200	-

Milestone	Task Name under each milestone	Start	Duration (days)
1	Greenhouse extension (2 x 600 m2)	15-07-19	60
2	Automatic climate control and automated irrigation for greenhouse	01-09-19	15
3	Laboratory extension capacity for climate room (50 m2)	15-07-19	120
4	Automatic repotting/transplanting machine for trays and pots	01-09-19	10
5	Automatic soil filling machine and plant potting machine	01-09-19	10
15	Architectural plan and permits for building new laboratory	15-07-19	365
7	New employees 2019	15-07-19	210
8	New employees 2020	05-01-20	180
9	R&D on new plants (assumes purchase of new plants and varieties)	15-07-19	150
11	Cost of material and utilities due to bigger production from new workers in 2019	01-11-19	65
12	Cost of material and utilities due to bigger production from new workers in 2020	05-01-20	60
13	Buy-out of patents and production rights	15-10-19	5
14	Tracking software for in-lab operations	15-07-19	265
16	Marketing - new label design and print	01-10-19	90

Reference: RFP - XXXXX
Exhibit 1.3 – Project Budget


Project Gantt Chart
24-06-19
24-07-19
23-08-19
22-09-19
22-10-19
21-11-19
21-12-19
20-01-20
19-02-20
20-03-20
19-04-20
19-05-20
18-06-20
18-07-20
17-08-20
Greenhouse extension (2 x 600 m2)
Automatic climate control and automated irrigation for greenhouse
Laboratory extension capacity for climate room (50 m2)
Automatic repotting/transplanting machine for trays and pots
Automatic soil filling machine and plant potting machine
Architectural plan and permits for building new laboratory
New employees 2019
New employees 2020
R&D on new plants (assumes purchase of new plants and varieties)
Cost of material and utilities due to bigger production from new workers in 2019
Cost of material and utilities due to bigger production from new workers in 2020
Buy-out of patents and production rights
Tracking software for in-lab operations
Marketing - new label design and print

Hortilab strategy and plan of activities

PROJECT NAME: E-Blinds
Reference nr. : XXXXX

Activities presented in document outline key steps necessary to achieve full 2-3 years plan. The plan is to start with lowest expansion scenario assuming that the Company will deliver required results. Later, additional investment will be needed to fully scales to desired capacities.

Exhibit 1.3 – Project Budget

	Item	Expansion scenario		
		250	700	1,200
Capacity expansion	New laboratory	0	420	460
	Existing laboratory capacity expansion	150	0	0
	New automatized lab. equipment	45	95	170
	Automated greenhouses	0	55	175
	Automatic robotic planter	0	0	70
Staffing & research	Employment	35	60	160
	Research and development	20	40	85
Product & software	Buy-out of patents and production rights	0	15	60
	Production tracking software	0	15	20

All activities are aligned around growth and capacity increase and prepare for further expansions in years to come. The most intensive phase is 2019 Q3 where:

- Expand current capacities
- Invest heavily in equipment
- Initiate architectural plans for 2020 for full laboratory expansion