

## BIKEFINDER AS

(Incorporated in Norway as a limited liability company with business registration number: 915 694 608)

BikeFinder AS ("**BikeFinder**" or the "**Company**") is

Offering of up to 28 316 new shares in the Company (the "Offer Shares"), each with a nominal value of NOK 1,00 at a subscription price of up to NOK 295 per Offer Share, raising gross proceeds of up to NOK 8,353,220.00 (the "**Share Offering**").

*Subscription Period for the Subsequent Offering: From and including 02/11/2020 08:00 CET to 14/12/2020 23:59 CET (The Board has the right to extend the Subscription Period) This prospectus (the "**Prospectus**") is a national prospectus (in Norwegian: nasjonalt prospekt) and has been registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) in accordance with section 7-8 of the Norwegian Securities Trading Act of 29 June 2007 No. 75 (the "**Securities Trading Act**") for reasons of public verifiability, but neither the Financial Supervisory Authority of Norway (Finanstilsynet) (the "**Norwegian FSA**") nor any other public authority has carried out any form of review, control or approval of the Prospectus.*

## **IMPORTANT INFORMATION**

This Prospectus has been prepared by the Company in connection with the Share Offering.

This Prospectus is a national prospectus and has been prepared to comply with section 7-5 of the Securities Trading Act and pertaining regulations. The Prospectus has been prepared in English only. The Prospectus has not been controlled or approved by the Norwegian FSA or any other public authority but has been registered with the Norwegian Register of Business Enterprises for reasons of public verifiability, pursuant to section 7-10 of the Securities Trading Act. The Prospectus is not an EEA Prospectus as defined in section 7-1 of the Securities Trading Act and has not been prepared to comply with the EU Prospectus Directive (Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003), the EU Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017) or any related legislation.

No action has been, or will be, taken by the Company in any jurisdiction other than Norway that would permit an offering of the Offer Shares, or the possession or distribution of any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where specific action for such purpose is required. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or issue, or a solicitation of an offer to buy or apply for, any securities in any jurisdiction in any circumstances in which such offer or solicitation is not lawful or authorized. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. The Company shall not be responsible or liable for any violation of such restrictions by prospective investors.

All inquiries relating to this Prospectus must be directed to the Company. No other person is authorized to give information, or to make any representation, in connection with the Share Offering or this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or any of its advisors.

Prospective investors should assume that the information appearing in this Prospectus is accurate only as at the date on its front cover, regardless of the time of delivery of this Prospectus or the Offer Shares. The business, financial condition, results of operations and prospects of the Company could have changed materially since that date. Any new circumstance, material error, or inaccuracy which may have significance for the assessment of the securities, and which is brought to light between publication of this Prospectus and expiry of the Subscription Period or admission to trading, shall, pursuant to section 7-10 of the Securities Trading Act, be set forth in a supplement to the Prospectus and be published by the Company without undue delay. Save for the publishing of such supplement and except as required by applicable law, the Company expressly disclaims any duty to update this Prospectus, and neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as at any date subsequent to the date hereof.

Prospective investors are expressly advised that an investment in the Offer Shares entails a high degree of financial and legal risks and that they therefore should read this Prospectus in its entirety, including but not limited to Clauses below, when considering to invest in the Offer Shares. An investment in the Company is only suitable for investors who understand the risk factors such an investment entails, and which can afford

to lose any and all of their invested capital. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader should consult its own legal advisor, independent financial advisor or tax advisor for legal, financial or tax advice related to the Share Offering.

The Prospectus and the Share Offering are subject to Norwegian Law. Any dispute arising in respect of or in connection with this Prospectus or the Share Offering is subject to the exclusive jurisdiction of the Norwegian courts with Stavanger District Court (*Stavanger tingrett*) as legal venue in the first instance. Documents referred to in this Prospectus can be obtained from the Company at the following contact details:

Name: BikeFinder AS  
Address: Kvitsøygata 30, 4014 Stavanger, Norway  
E-mail: [invest@bikefinder.com](mailto:invest@bikefinder.com)  
Tel: +47 969 23 378

Unless otherwise indicated, the information contained herein has been collected and provided by the Company's board of directors (the "**Board of Directors**").

## **IMPORTANT INFORMATION TO INVESTORS OUTSIDE OF NORWAY**

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Offer Shares offered by or on behalf of the Company or the manager or any other person to persons who are residents of the United States, Australia, Canada, Japan or Hong Kong, or in or into any such jurisdiction or any other jurisdiction in which such offer or solicitation is not authorized, or it is unlawful to make such an offer or solicitation.

Allocation rights will not be issued to persons who are residents of the United States, Canada, Australia, Japan or Hong Kong. No action has been taken by the Company that would permit an offer of the Offer Shares, the issue of allocation rights, or possession or distribution of this Prospectus or any other offering material or subscription form relating to the Offer Shares or the allocation rights in any jurisdiction where action for that purpose is required, other than in Norway.

This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. Allocation of allocation rights to a shareholder in a jurisdiction in which it is unlawful to make such an offer does not constitute an offer to such shareholder to subscribe for the Offer Shares.

This Prospectus is not for distribution, directly or indirectly, in or into the United States, Canada, Australia, Japan or Hong Kong or any other jurisdiction where such distribution is not lawful.

The distribution of this Prospectus into jurisdictions other than Norway may be further restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The contemplated issue of the Offer Shares is subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

**The Offer Shares mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold within the United States. All offers and sales outside the United States will be made in reliance on Regulation S under the U.S. Securities Act of 1933. There will be no public offer of securities in the United States.**

## CONTACT INFORMATION

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*Company / Issuing institution:*

**BikeFinder AS (915 694 608)**

Address: Kvitsøygata 30, 4014 Stavanger, Norway

Tel. +47 948 41 706

CEO: Birgitte Furebotten Sunde

Email: [bfs@bikefinder.com](mailto:bfs@bikefinder.com)

Chairman of the Board: Leif André Skare

Tel. +47 988 31 000

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Website: [www.bikefinder.com](http://www.bikefinder.com)

Email: [invest@bikefinder.com](mailto:invest@bikefinder.com)

*Company auditor:*

**Stavanger Revisjon AS (985 182 736)**

Fabrikkveien 9, 4033 Stavanger

[www.strev.no](http://www.strev.no)

## 1 SUMMARY

BikeFinder offers a subscription-based, partly patented bicycle anti-theft tracking solution with associated insurance coverage benefits. The Company was founded in 2015 by former professional cyclist Ole Martin Ølmheim, and is based in Stavanger, Norway. BikeFinder has more than 3 000 active subscribers, and more than 90% of all stolen bikes having BikeFinder installed, were returned last year. The Company is now preparing for an international expansion.

BikeFinder is an anti-theft device with GPS, GSM and Bluetooth tracking that is locked – and hidden – inside the bike's handlebar. The solution fits all handlebars with an inner diameter of 15-27 mm, which makes up about 96% of all regular handlebars. The BikeFinder tracker unit has up to 8 weeks of battery life and is operated through a smartphone app. The device is charged via a power bank and a USB-C cable, and the user is notified when the battery drops below 40%.

The product is offered both pre-installed in bikes, and as a shelf product in sporting goods stores and online. The average revenue to BikeFinder from each piece of tracker hardware is NOK 650, with an associated production cost of NOK 400. BikeFinder needs a subscription to be active, and the product is bundled with insurance. BikeFinder charges each customer a monthly fee that changes with bike value and subscription period for the end user. The direct cost to BikeFinder is the annual fee paid to the insurance company and a M2M fee the phone company.

Today the company has a strong presence in Scandinavian sporting goods retail chains, such as XXL, Sport 1, G-Sport and Anton Sport. The sales through own company website are growing.

The annual sales of bikes range from 368.000 and 410.000 over the last 5 years in Norway. Between 14.000 and 18.000 bikes were stolen during that same time period. The average indemnity insurance is NOK 8.000 and indemnity payments from insurance companies add up to NOK 100 million per year. These numbers are grossly underreported and are in reality higher. According to Falck the return-rate of stolen bikes in Norway is 3%, while bikes with the BikeFinder have above 90% return-rate historically.

The global bicycle market is expected to reach \$59.9 billion by 2021, according to a recent *Lucintel* report. The annual growth rate is estimated to +/- 5% by several analysts. According to *Deloitte* 130 million electric bikes are expected to be sold globally between 2020-2023.

## 2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Below is a summary of certain risk factors relating to the Company, macro conditions and the Offering which the Company deems most significant as at the date of this Prospectus. These risks should also be considered in connection with the cautionary statement regarding forward looking statements.

If any of the following risks and uncertainties develops into actual events, the Company's business, financial conditions, results of operations or cash flows could be materially adversely affected.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the company business, financial condition, results of operations, cash flows and/or prospects.

Potential investors should carefully consider each of the following risks and all of the information set forth in this Prospectus before deciding to invest in the Offer Shares.

### 2.1 Market risks

#### **Covid-19**

The corona outbreak (COVID-19) had negative consequences for the Company in the first half of 2020, as for many other businesses in Norway and around the world. Travel restrictions for sales and marketing efforts were the most impacted by this. The Company's business, earnings and financial condition have been and will probably continue to be affected by the current crisis in the global markets and the deterioration in the global economic outlook. The duration and scale of the impact on various parts of the business of the Company is subject to high levels of uncertainty, may change over time and therefore carries inherent risk. The exact nature of all the risks and uncertainties the Company faces as a result of the current global crisis and global economic outlook due to the outbreak of COVID-19 cannot be predicted and many of these risks are outside the Company's control.

#### **Macroeconomic conditions**

Generally, demand for all of the products and services supplied by the Company is highly exposed to the general economic development. The Company has a short commercial history, but expects that revenues, especially those associated with the sale of hardware, will be exposed to swings in economic activity. This is especially true when the Company is looking to grow outside of the Scandinavian countries, suddenly being exposed to different economies in various parts of the World.

Revenues from subscriptions will be less affected by the economic sentiment but could suffer from any long-term effect impacting the sale of the tracker units.

Volatile, negative or uncertain economic or political conditions may adversely impact the Company's customers or the Company's employees and could therefore negatively affect the Company's business, results of operations, financial condition, cash flow and/or prospects. In addition, further disruption or uncertainty in capital and credit markets may limit the Company's ability to access the capital necessary to grow its business in the future.

## **Competition**

The Company does not currently operate in a highly competitive market. However, as the market for high-end trackers grows, a rapidly changing global marketplace could result in a variety of organizations that offer similar services to those the Company offers, entering the marketplace. In general, the sporting goods hardware market has a large number of providers competing for customers through various channels. The lower cost of distributing hardware solutions through electronic channels (the Internet) has further increased competition.

Due, in part, to the rapid technological change, evolving industry standards and changing needs of customers and users' needs and preferences, the Company's competitive landscape is changing rapidly, and as a consequence, it is difficult for the Company to accurately assess or predict its future competitors and competitive threats it may be facing. If the Company is unable to compete successfully, the Company could lose market share and customers to competitors, which could adversely affect the Company's business, results of operations, financial condition, cash flows and/or prospects.

## **2.2 Operating risks**

### **Lack of ability to implement the Company's strategy and business plan**

The Company's strategic risk is mainly associated with the ability the Company has to grow and scale in various international markets. The Company has invested significant capital and effort into developing a state-of-the-art hardware product with associated services that benefit the customers. The Company has invested significant resources in technological development in order to lay the groundwork for future revenue growth and improve its competitiveness. The Company's strategy of focusing on subscription-based revenue provides more predictability longer-term. The strategy is offset the short-term risk associated with fluctuations in the sale of just the hardware. However, there can be no guarantee that the implementation of this strategy will succeed, and if it cannot, this in turn may adversely affect overall revenues and profitability.

### **New business development**

New business development activities may carry strategic and execution risks that by their new nature are harder to mitigate and quantify in advance than those attached to the existing ongoing operations of the Company. Hence, current and future development projects are a source of risk.

### **Retention of key employees**

The Company is extensively and critically reliant on skilled employees for the daily conduct of its business. The limited size of the Company implies that the retention of key individuals in the short-term is of material importance to the continued functioning of parts of its business.

The Company has endeavoured to ensure that the principal members of its team have suitable incentives, but the retention of such staff cannot be quarantined and the loss of their services could affect adversely the ability of the Company to achieve its objectives, particularly in the short-run. It is worth noting that all full-time employees own Company stock, hopefully mitigating this risk.

### **Technological risk**

The Company relies on GPS, GSM and Bluetooth to track bikes, and without this the insurance companies will not cover any loss. This makes the product dependent on a several functioning antennas which is a



technological risk. The Company continuously improves the technology both to enhance performance and keep up with rapidly technological developments, however the possibility of the Company not keeping up with technology development should be considered a risk. The Company is also reliant on a functioning application for their customers to track the bike, the Company does continuous maintenance of the application and platform. However, the possibility of not keeping up with technological changes should be considered a risk. The Company relies on multiple hardware parts for its tracker, if any of these parts stops working or is flawed, the Company would risk potential cost and loss of revenue.

If a security breach on either the Company's website, application or GPS partner, cause a downtime in the Company's services, loss of revenues and potential costs could likely occur.

### **Supply chain**

The Company produces their products in China and depends on several suppliers for materials, parts, shipping and warehouse. Events that impose a risk to the supply chain of the Company includes, but are not limited by:

- bankruptcy of suppliers;
- production stop from suppliers;
- trade embargos;
- shipping issues;
- material shortage; or
- force majeure events like natural disaster or conflicts

## **2.3 Legal risks**

### **Compliance with GDPR**

Within the EU, data protection is governed by the Regulation EU 2016/679 ("GDPR") which sets out provisions on the requirements for processing personal data and the related data security, and specifies the responsibilities of the controller and the processor of personal data. Since the implementation in 2018, the Company has made extensive efforts to comply with the GDPR.

Violation of the GDPR may result in fines and customer churn and may harm the Company's reputation in the market. Despite the Company's continuous efforts to comply with the GDPR, it cannot be guaranteed that the Company will not make any mistakes and failure to comply with the GDPR therefore poses a constant risk.

### **Intellectual property risk**

Parts of the Company's technology is covered by pending and issued patents. However, publication in multiple jurisdictions and inability to track infringements back to source means that it will not always be cost-effective or feasible to seek damages for infringements in all circumstances. The risk arising from this is however unlikely to be material. Similarly, the Company can be subject to third party claims of infringements, and any such claim could, if successful, have a material adverse effect on the Company's result.

The Company's brands are not registered trademarks in all jurisdictions in which it operates and there is therefore a risk of infringements taking place.

## 2.4 Financial risks

### **General**

The Company's ability to make payments on its debt, and to fund working capital and capital expenditures, will depend on future operating performance and ability to generate sufficient cash flow.

This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Company's control, as well as the other risk factors discussed and information given elsewhere in this Prospectus.

If the Company's future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund liquidity needs, the Company may be obliged to reduce or delay its business activities and capital expenditures; sell assets; or obtain additional debt or equity capital. Any of these actions could have a material adverse effect on the Company's financial condition and results of operations.

### **Currency fluctuations**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. In addition, the Company produces most of its hardware in China. This entails foreign currency exposure in terms of operational revenues and costs structures, asset recognition, net investments in foreign activities and translation exposure.

### **Additional funding**

The net proceeds of this Share Offering and another similar share offering in 2021 are intended to meet the Company's funding requirement until such time as sufficient cash is generated by the operations. This presumption is based on the management and Board's best estimates with regard to future business development at the time of the Prospectus. However, the assumptions underlying the financial forecast may not turn out to materialize. If there are significant deviations from the current forecast, it cannot be excluded that the Company may need to raise further equity in the future.

While not foreseen at present, future capital requirement may, nevertheless, arise also to fund further investments and could involve additional share issues or increased debt.

There can be no assurance that the Company will be able to raise such additional capital at the relevant time. A failure in obtaining additional funding in the future might have a significant adverse effect on the Company, and its ability to pursue its strategic plans, its financial conditions and its operating results.

## 2.5 Risks related to the offering

### **The price of the shares may be impacted by limited liquidity and further capital raises**

There is currently no market for trading in the Company's shares, and the shares are not admitted to trading on any regulated- or unregulated market. Hence, the Company will, inter alia, not be subjected to the regulations that apply to publicly traded shares.

The Company is not yet profitable, and the Company may need additional capital in the future to finance future growth. This may result in dilution for the Company's shareholders.

Norwegian law provides that any declaration of dividends must be adopted by the Shareholders at the Company's General Meeting. Dividends may only be declared to the extent that The Company has distributable funds and in compliance with applicable capital adequacy requirements, and subject to the Board of Directors finding such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations, applicable capital adequacy requirements and the need to strengthen its liquidity and financial position.

As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a Shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

### 3 RESPONSIBILITY FOR THE PROSPECTUS

#### **This Prospectus has been prepared by the Company.**

To the Company's best knowledge, the Prospectus (i) contains information presented in accordance with relevant facts and (ii) contains no omissions likely to affect its import.

### 4. GENERAL INFORMATION

#### **4.1 Presentation of financial and other information**

##### **4.1.1 Financial information**

The Company's consolidated financial statements as of, and for the years ended, 31 December 2019, referred to as the "Audited Financial Statements", The Audited Financial Statements, is referred to as the "Financial Statements".

The Audited Financial Statements have been audited by Stavanger Regnskap AS, as set forth in their auditor reports included therein.

##### **4.1.2 Non-IFRS financial measures**

All Financial Statements are non-IFRS financial measure, is not a recognized measurement of financial performance under IFRS but is used by management to monitor and analyze the underlying performance of BikeFinder business and operations. Investors should not consider any such measure to be an alternative to profit and loss for the period, operating profit for the period or any other measures of performance under generally accepted accounting principles.

##### **4.1.3 Industry and market data**

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market positions and other industry data pertaining to the company's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published, as well as the Company's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in

this Prospectus, the basis for any statements regarding the Company's competitive position is based on BikeFinder own assessment and knowledge of the market in which it operates.

BikeFinder confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as BikeFinder is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. BikeFinder does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. BikeFinder has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

#### **4.1.4 Currency and rounding**

In this Prospectus, all references to "NOK" are to the lawful currency of Norway.

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

#### **4.2 Forward looking information**

This Prospectus contains forward-looking statements relating to, inter alia, the Company's business and strategy and potential benefits of the Company's products, future operations, future progress and timing of development and commercialization activities, future size and characteristics of the markets that could be addressed by the Company's products, future financial performance and results, projected costs, prospects, plans and objectives of the Company and/or the industry in which it operates.

More detailed information to be retrieved at <http://invester.bikefinder.com> or at <http://bikefinder.no>.

## 5. THE SHARE OFFERING

### 5.1 The purpose of the Share Offering

The purpose of this Share Offering is to fund expansion into new markets and further growth.

#### 5.1.1 Share capital before the Share Offering.

BikeFinder's share capital before the share offering is NOK 223 476 distributed on 223 476 shares, each at a nominal value of NOK 1,00.

### 5.2 The Share Offering

#### 5.2.1 Overview of the Share Offering

The Share Offering comprises of up to Offer Shares (the "Share Offering"), each with a nominal value of NOK, at a Subscription Price of NOK 295 per Offer Share.

The Share Offering is directed towards all potential investors, but only to the extent such person are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action.

#### 5.2.2 Timetable for the Share Offering

Event	Date
Subsequent Offering proposed by the Board of Directors	28/09/2020
Subsequent Offering approved by the AGM	28/09/2020
Board meeting for approval of prospectus	30/10/2020
Prospectus registered at Norwegian Brønnøysundregistrene	31/10/2020
Prospectus publication	02/11/2020
Subscription period	On or about 02/11/2020 to 14/12/2020
Allocation and announcement of the Share Offering	On or about 21/12/2020

#### 5.2.3 Increase of share capital in connection with the subsequent offering

The following resolution to increase the Company's share capital in connection to the Share Offering was passed by the AGM at 28/09/2020 the following were unanimously approved.

- "1. The Board of Directors is authorized to increase the Company's share capital by up to NOK 45 418 by issuing up to 45 418 shares, each share nominal value of NOK 1,00. This authorization is valid multiple times within the stated time period.
2. The authorization is valid until 31/08/2022.
3. The shareholders' pre-emptive right to subscribe for shares may be waived, cf. Section 10-4.
4. The pre-emptive subscription rights of shareholders can be waived, according to asl § 10-2.
5. The authorization does not apply to capital increase against cash contribution or other contribution.
6. The authorization does not apply to decision of merger, cf. asl § 13 -5.

#### 5.2.4 The Subscription Period

The Subscription Period for the Subsequent Offering commences on 02/11/2020 to 16:30 CET at 14/12/2020. The Board has the right to extend the subscription period.

In the event that the Prospectus has not been registered at Norwegian Register of Business Enterprises (“Foretaksregisteret”) by the end of 31/10/2020, the start and end of the subscription period shall commence at the latest on the second working day after such approval has been obtained and end at 16.30 (CET) four weeks thereafter, however so that the subscription period shall not start later than 01/12/2020.

#### **5.2.5 Subscription Price**

The Subscription Price in the Share Offering has been determined at NOK 295 per Offer Share. No expenses or taxes are charged to the subscribers (the “Subscribers”) in the Share Offering by the Company.

#### **5.2.6 The Subscription Procedure**

The Prospectus is available at BikeFinder AS. Subscriptions for Offer Shares must be made on a Subscription Form provided by BikeFinder.

Subscriptions must be submitted, and accurately completed Subscription Forms must be received by the BikeFinder management by 14/12/2020 16:30 CET. The Board has the right to extend the subscription period.

The Company may not be held responsible for delays in the mail system or for non-receipt of Subscription Forms. Properly completed and signed Subscription Forms may be mailed or delivered to the Company mail address at the Subscription Forms.

The Board of BikeFinder may at their sole discretion refuse any improperly completed, delivered or executed Subscription Form or any subscription which may be unlawful. A subscription is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Company. Multiple subscriptions are allowed. In the event the Subscriber submits two or more Subscription Forms, the Board reserves the right to approve all or only some of the Subscription Forms.

Oversubscription is permitted. If the subscription is oversubscribed, the Board of Directors reserves the right to notice an Extraordinary General Meeting.

The Company assumes no responsibility for failure to subscribe or inability to subscribe for Offer Shares due to technical or internet problems.

Subscription Forms received after the end of the Subscription Period may be disregarded at the sole discretion of the Company without prior notice to the subscribers. In the event that the Company needs to verify the identification of a subscriber under the Norwegian Money Laundering Act 2009, the subscriber is responsible for providing the necessary documentation. Non-compliance with these requirements may lead to the subscriber not being allocated Shares in the Share Offering.

#### **5.2.7 Allocation of Offer Shares**

The allocation of Offer Shares will be made applying the following criteria:

- i) Offer Shares shall be allocated on the basis received correct Subscription Forms;
- ii) In the event that Share Offering is over-subscribed, the board can allocate the shares to the subscriber and accept over subscription or reject it.

The allocation of Offer Shares will take place after the expiry of the Subscription Period on or about 14/12/2020, and notifications of allocation will be dispatched by mail from the Company on or about 14/12/2020. The Board reserves the right to round off, regulate or in another way reject or reduce any subscription in event above. Any excess payments made to the Company will be returned to the subscriber's bank account within two weeks following allocation, without any compensation for lost interest.

BikeFinder will disclose information regarding the number of Shares subscribed for in the Share Offering on or about 21/12/2020.

#### **5.2.8 Payment for the Allocated Offer Shares**

The payment for the Offer Shares falls due on 21/12/2020 (the "Payment Date").

Each Subscriber must pay to the Company bank account in DNB ASA, Norway.

Account number: 1506.51.40435

IBAN: NO5015065140435

BIC/SWIFT: DNBANOKK

If there are insufficient funds from the Subscriber on the Company bank account the subscriber is obligated to pay, or payment is not received by the Company according to other instructions, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 9,00 per cent per annum. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the Subscriber, and the Board reserves the right, at the risk and cost of the Subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the Subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original Subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Company may enforce payment of any such amount outstanding.

#### **5.2.9 Registration of the Offer Shares**

The Shares will be registered in the Norwegian Register of Business Enterprises ("Foretaksregisteret") on or about 31/10/2020 (depending if extended time is need due to Covid-19 situation).

Assuming that payments from all Subscribers are made when due, delivery of the Offer Shares is expected to take place on or about 21/12/2020. Assuming that payments from all Subscribers are made when due, it is expected that the share capital increase will be registered in the Norwegian Register of Business Enterprises ("Foretaksregisteret") (the "Company Register") on or about 30/01/2021.

#### **5.2.10 The Rights conferred by the Offer Shares**

The Offer Shares will in all respects carry full shareholder rights equal to the existing ordinary Shares of BikeFinder from the date the share capital increase is registered in the Company Register. For a description of rights attaching to Shares in the Company, see Section 12.4.1 "Voting rights and other shareholder rights" of this Prospectus.

### **5.2.11 Publication of information in respect to the Share Offering**

The Prospectus will be released on the Company's website [www.bikefinder.com](http://www.bikefinder.com), the Company will publish information in respect to the Share Offering at Brønnøysundregisteret. The Company will publish information regarding the number of shares subscribed in the Share Offering on or about 02/11/2020 to 16:30 CET at 14/12/2020. <http://invester.bikefinder.com> will have live update of any changes in the signing procedure. Subscribers, volume and number of shares will be listed, and a total number of shares/amounts is also automatically updated during this period.

### **5.2.12 Share capital following the Share Offering**

The number of Offer Shares to be issued is 28 316, each with a nominal value of NOK 1,00 per Share. If fully subscribed, the Share Offering would give a further increase in the Company's total number of issued Shares by 28 316 to 251 792, each share with a nominal value of NOK 1,00 per Share. The Offer Shares will be issued in accordance with the resolution passed at the AGM, for a further description of the Company's share capital.

### **5.3 Share capital following the Share Offering**

As of the date of this Prospectus, the Company's share capital is NOK 223 476 divided into 223 476 shares, each with a nominal value of NOK 1,00.

The final number of Offer Shares to be issued in connection with the Share Offering will depend on the number of Offer Shares subscribed. The Offer Shares will be issued in accordance with the resolution passed at the AGM.

### **5.4 Costs**

The transaction costs of the Company related to the Share Offering are estimated to NOK 625 000. No expenses or taxes are charged to the subscribers in the Share Offering by the Company.

### **5.5 Dilution**

The Company had 223 476 Shares outstanding prior to the Share Offering, assuming full subscription in the Share Offering, a total of 28 316 new Shares will be issued in the Share Offering, resulting in a dilution of approximately 11,2 % for Shareholders who did not participate in the Share Offering.

### **5.6 Jurisdiction and governing law**

This Prospectus, the Subscription Form and the terms and conditions of the Share Offering shall be governed by and construed in accordance with, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Share Offering shall be subject to the exclusive jurisdiction of Stavanger District Court.

### **5.7 Mandatory anti money laundering procedures**

The Subsequent Offering is subject to the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations (collectively the "Anti-Money Laundering Legislation").

All subscribers must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares.



Further, in participating in the Share Offering, each subscriber must have a bank account. However, non-Norwegian subscribers may use their country bank account registered in their name, which requires verification of identity in accordance with the Anti-Money Laundering Legislation.

### **5.8 The Share Offering**

To the extent known to the Company, no major Shareholder or member of management, supervisory or other administrative bodies intend to subscribe for Shares in the Share Offering, and BikeFinder does not know of any Shareholders who intend to subscribe for more than 5% of the Share Offering.

## **6. MARKET OVERVIEW**

### **6.1 The Norwegian bicycle market**

In the Norwegian market approximately 380.000 bikes are sold every year, where 50.000 of these are electric, 85.000 off-road and 25.000 road bikes. This year sporting goods stores in Norway reported a concern about being able to meet customer demand for bikes, and the demand increase 30-100% each year, especially in the e-bike segment.

In total approximately 14.000 bikes are stolen each year, and average indemnity payment is NOK 8.000. Insurance companies pay out more than NOK 100 million each year in indemnity payments for stolen bikes. These numbers are assumed to be grossly underreported and, much higher. According to Falck, the return rate of stolen bikes is 3%.

This far more than 75% of stolen bikes equipped with the BikeFinder was recovered.

### **6.2 The global bicycle market**

The global bicycle market is expected to reach \$59.9 billion by 2021, according to a recent Lucintel report, the expected annual growth rate is estimated approximately 5%. 130 million electric bikes are expected to be sold globally between 2020-2023, according to Deloitte.

Bike ownership is the highest per household in Northern Europe as well as in Japan, but several countries are experiencing strong growth.

#### **Approximately 20 million bikes are sold annually in the EU**

The majority in the growth comes from electric bikes. For instance, nearly 50% of all bikes sold in Belgium are electric of an annual bike sale of around 500 000 bikes. In the Netherlands, just over one million new bicycles were sold in 2018. The total sales value of new bicycles that were sold amounted to approximately 1.22 billion euros. 40% of bikes sold are electric. In Italy, more than one and a half million bikes are sold annually (12% electric), more than 4 million in Germany (more than 25% electric), and around 3 million in France. *(Source: Statista)*

#### **The U.S. market is estimated to be sized around 6 billion U.S. dollars**

Between 15 and 20 million bicycles are sold in the U.S. annually. Mountain bikes were the most popular category as of 2019, but e-bikes are growing the fastest. In the US and Canada, only about 1 percent of the workforce commutes by bike today. According to *Deloitte* this will change dramatically with the adoption of

e-bikes. During the coronavirus lockdown, the sale of e-bikes has skyrocketed, with online retailers reporting 40-150% sales growth over last year. (Source: Statista)

### **Bike theft – A global problem**

30-40.000 bikes are reported stolen in Belgium each year, with the real number expected to be much higher. In France as much as 403.000 bike thefts were reported in 2017 – almost 15% of the annual bike sale. A project tracking bicycle theft in the USA by 529 Garage has concluded that over 2 million bikes are stolen annually in America.

## **7. PRESENTATION OF THE COMPANY**

### **7.1 Registered office and registration number**

BikeFinder's legal and commercial name is BikeFinder AS. The Company was registered with the Norwegian Register of Business Enterprises on 11.06.2015. BikeFinder AS is a limited company ("aksjeselskap") organized under Norwegian law, including the Norwegian Public Limited Liability Companies Act.

BikeFinder's business register number is 915 694 608 at The House of Companies.

As of the date of this Prospectus, the Company's share capital is NOK 223 476 divided into 223 476 shares, each with a nominal value of NOK 1,00. All the Shares are authorized and fully paid.

BikeFinder has one class of shares, each Share carrying equal voting rights at General Meetings. BikeFinder Articles of Association do not provide for limitations on the transferability or ownership of Shares.

BikeFinder registeret Office: Kvitsøygata 30, 4014 Stavanger, Norway.

### **7.2 Brief history and growth plans**

#### **Company Milestones**

2015 – BikeFinder is established

2016 – First prototype placed in the seat tube ready for testing

2017 – Winner of Stordalen's Strawberry Million Contest. First contract signed with XXL.

2018 – Second generation prototype ready for mass production. First contract signed with Gjensidige.

2019 – Full control over own supply in China. First sale outside of Norway. First large batch (3000 units) delivered, and BikeFinder's trackers hit the XXL shelves.

2020 – 3 000 Active subscribers. Insurance agreement with Tryg for Sweden, Denmark and Finland. Signed with Vodafone and Elkjøp.

#### **Production History**

##### **2015Q3**

- Initially, BikeFinder hired engineering resources to design and manufacture the first version of the tracker.
- The first version was developed and manufactured by Data Respons Norge

##### **2016Q2**

- The first unit was presented to the Company's industry partners, XXL, Canyon Bikes and Team Katusha (the World's largest professional cycling team at the time).
- The partners gave the product their thumbs down due to its location in the seat tube close to the crankset.

### **2016Q3**

- Decision was made to develop a new tracker that would fit in the handlebar.
- Space constraints had made this impossible in the past, but new engineering ideas and collaboration with Chinese manufacturers made this possible.

### **2019Q3**

- Production issues during summer of '19 led to production streamlining.
- Production takes place in China, where most tracker components are manufactured based on spot pricing from different manufacturers.

### **2019Q4**

- Multiple manufacturers can be used for the same service, hence no production bottlenecks, supplier dependency, and limited risk for technology theft and copying by spreading the components on several suppliers.

## **7.3 Growth plan next three years**

### **Sales status 2020**

- 7 630 BF trackers delivered in total, 3 920 YTD by end of September. 80% sales B2B, 20% B2C. More than 3 000 active subscriptions, and an average hardware sales price of €61.
- Currently 1 800 trackers in stock at the end of September. 500 trackers ready for shipping in China. Ordered key parts for another 5 000 units.
- XXL (84 shops in Scandinavia + Austria), Sport1, Intersport, Anton Sport, Olympia Sport, Birk Sport, Spinn Sykkelshop, Bikeshop.no, Kajakk og Fritid AS were the 10 biggest retailers. Over 200 retailers in total.
- 16 active retailers in Denmark after two trips over the summer. Showcasing at CSN expo in Denmark with 100 retailers in September.
- B2C: Increasing sales through social media campaigns.

### **Sales target 2020**

- This year the adjusted goal is to deliver 5 000 trackers in Norway, Denmark, Sweden and Finland - countries where insurance coverage is secured.

### **Sales target 2021**

- 2021 sales target includes a sale of 6 000 trackers in Norway, 4 000 trackers in Denmark, 2 000 trackers in Sweden and 1 500 trackers in Finland.
- New market insurance coverage will be tied to sales in Belgium and the Netherlands, with a combined sale of 3 500 trackers in Europe, except Scandinavia.
- US market introduction towards the end of 2021, focusing on both sporting goods chain partnerships and B2C through Amazon. Target of 1 000 trackers sold.
- OEM agreements already in progress is included in these numbers.

## **Sales target 2022**

- 2022 sales target includes a sale of 8 000 trackers in Norway, 4 500 trackers in Denmark, 3 500 trackers in Sweden, 2 000 trackers in Finland, 6 000 trackers in the Netherlands, 6 000 trackers in Belgium, and 5 000 trackers in the US.
- Insurance coverage will be tied to sales in Germany, France, Poland and Italy, and a total of 5 000 trackers sold in these countries.
- Market introduction in Australia and New Zealand, with a target of 1 000 units sold.
- First 3 000 Track Tech units sold.

## **8. CONSOLIDATED FINANCIAL INFORMATION**

### **8.1 Overview**

The consolidated financial statements for the years ended 31 December 2019 audited by the company auditor, see appendix 1

### **8.2 Income statement**

In the Prospectus appendix is the Company's statement of financial statements for 2019 (31. December 2019).

The income statement 2019 shows first operating year. R&D is written as intangible assets in the balance sheet, and public grants as liabilities. Depreciation of R&D started 01.03.2019, at the same time started the revenue recognition of public grants.

## **9. OPERATING AND FINANCIAL REVIEW**

### **9.1 Management's discussions and analysis of operating results**

The Company has spent the last years investing in research and development and is now at an inflection point. 2019 was the first operational year, and the business model was proven effective. With solid retail and insurance partnerships as well as a solid product, the Company is now ready to scale production.

#### **9.1.1 The Company's business model**

The product is offered both preinstalled in bikes (OEM), and as a shelf product in sporting goods stores and online. The average revenue to BikeFinder from each piece of tracker hardware is NOK 650, with an associated production cost of NOK 400.

BikeFinder needs a subscription to be activated, and the product is bundled with insurance. The subscription includes operator costs (sim card) and insurance for all Norwegian residents through Gjensidige. Insurance benefit program for Sweden, Denmark and Finland was launched on March 15, 2020 through Tryg Forsaking.

Subscription is activated through the BikeFinder app and the monthly fee is based on the bike's value.

Insurance benefits from BikeFinder subscription:

- Full or material value insurance of any bikes
- Worldwide coverage for Scandinavian residents
- Free deductible
- No devaluation of bike's value the first years of ownership

## 9.1.2 Budget

### Budget highlights

- Track Tech products ready for market launch in 2022
- SG&A main cost driver is marketing costs in target markets
- Sales and marketing department drives salary costs
- **Sales momentum is strong, and with next 18-months growth projections, break-even is expected in 2021**
- Upfront hardware investment, expansional growth and new market investments lead to significant working capital requirements until 2023 despite the positive EBIT margin in 2022
- EBITDA margins north of 30% expected once BF hits critical mass volume
- Cost estimates based on today's volumes, but 5-10% savings should be expected as volumes increase

Assumptions	3.300		3.900		4.600		18.500		35.000		65.000		85.000		100.000	
Unit sold																
Profit & Loss Statement	2019	Q1-Q3 2020	2020P	2021E	2022E	2023E	2024E	2025E								
Sales subscriptions	763.000	34%	1.472.000	32%	2.597.000	41%	13.365.000	46%	34.384.500	52%	76.289.850	56%	140.486.805	64%	231.232.847	72%
Sales units B2C	0	0%	792.000	17%	1.078.717	17%	5.361.300	19%	11.193.000	17%	20.787.000	15%	27.183.000	12%	31.980.000	10%
Sales units B2B	1.502.000	66%	1.780.000	38%	2.038.900	32%	10.212.000	35%	21.000.000	32%	39.000.000	29%	51.000.000	23%	60.000.000	19%
Other revenues	35.494	2%	585.000	13%	585.000	9%	-	0%	-	0%	-	0%	-	0%	-	0%
<b>Revenue</b>	<b>2.265.000</b>	<b>100%</b>	<b>4.629.000</b>	<b>100%</b>	<b>6.299.617</b>	<b>100%</b>	<b>28.938.300</b>	<b>100%</b>	<b>66.577.500</b>	<b>100%</b>	<b>136.076.850</b>	<b>100%</b>	<b>218.669.805</b>	<b>100%</b>	<b>323.212.847</b>	<b>100%</b>
COGS	1.167.560	52%	2.628.000	57%	4.357.309	69%	15.215.000	53%	33.723.000	51%	68.404.900	50%	110.331.370	50%	163.855.781	51%
<b>Gross margin</b>	<b>1.097.440</b>	<b>48%</b>	<b>2.001.000</b>	<b>43%</b>	<b>1.942.309</b>	<b>31%</b>	<b>13.723.300</b>	<b>47%</b>	<b>32.854.500</b>	<b>49%</b>	<b>67.671.950</b>	<b>50%</b>	<b>108.338.435</b>	<b>50%</b>	<b>159.357.066</b>	<b>49%</b>
Personnel cost	1.335.946	59%	3.251.000	70%	4.897.963	78%	8.500.000	29%	10.733.000	16%	12.907.000	9%	17.089.000	8%	19.342.000	6%
SG&A cost	4.852.706	214%	3.096.000	67%	4.274.489	68%	5.069.917	18%	6.590.892	10%	8.568.160	6%	11.138.608	5%	14.480.190	4%
<b>EBITDA</b>	<b>- 5.091.212</b>	<b>#####</b>	<b>- 4.346.000</b>	<b>-94%</b>	<b>- 7.230.144</b>	<b>#####</b>	<b>153.383</b>	<b>1%</b>	<b>15.530.608</b>	<b>23%</b>	<b>46.196.790</b>	<b>34%</b>	<b>80.110.827</b>	<b>37%</b>	<b>125.534.876</b>	<b>39%</b>
Depreciation	835.382	37%	414.000	9%	1.367.541	22%	1.890.571	7%	2.523.243	4%	4.217.593	3%	4.888.794	2%	5.580.131	2%
<b>EBIT</b>	<b>- 5.926.594</b>	<b>#####</b>	<b>- 4.760.000</b>	<b>#####</b>	<b>- 8.597.685</b>	<b>#####</b>	<b>- 1.737.188</b>	<b>-6%</b>	<b>13.007.365</b>	<b>20%</b>	<b>41.979.198</b>	<b>31%</b>	<b>75.222.033</b>	<b>34%</b>	<b>119.954.744</b>	<b>37%</b>

## 10 BOARD OF DIRECTORS AND MANAGEMENT

### 10.1 Board of Directors

In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of its business, ensuring proper organization of its business, preparing plans and budgets for its activities, ensuring that its activities are subject to adequate controls, and undertaking investigations necessary to perform its duties. The following table sets forth, as the date of this Prospectus, the directors of BikeFinder and the number of shares beneficially owned by each director as of the date of this Prospectus.

<b>Name</b>	<b>Position</b>	<b>Shares</b>
Leif André Skare	Chairman	17,677
Pippa Boothman	Board Member	714
Asbjørn Vagle	Board Member	14,600

### 10.2 Management

The management of the Company comprise of the following persons:

<b>Name</b>	<b>Position</b>	<b>Shares</b>
Birgitte F. Sunde	Chief Executive Officer	500
Marouane Ben Amor	Chief Technology Officer (Consultant)	0
Youhua Fu	Supply Chain Manager	700
Ole Martin Ølmheim	Sales Manager	19,373

### 10.3 Other information

None of the members of the Board or the Chief Executive Officer has in the last 5 years preceding this Prospectus been any of the following:

- Been presented with any convictions related to indictable offences or convictions related to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his capacity as a founder, director or senior manager of a company.

## 11. SHARE CAPITAL AND SHAREHOLDER MATTERS

The following description includes certain information concerning BikeFinder, Articles of Association and Norwegian law in effect as of the date of this Prospectus. Any change in the Articles of Association is subject to approval by a General Meeting. This summary does not intend to be complete and is qualified in its entirety by BikeFinder Articles of Association and Norwegian law.

### **11.1 Share capital and shares**

BikeFinder is a limited company organized under the laws of Norway, with its registered office at Kvitsøygata 30, 4014 Stavanger, Norway.

#### **11.1.2 Share capital**

As of the date of this Prospectus, Norwegian BikeFinder registered share capital is NOK 223 476 distributed on 223 476 shares, each at a nominal value of NOK 1,00. All the Shares are issued and fully paid.

BikeFinder has one class of shares, each Share carrying equal shareholder rights, including one voting right at the General Meeting. BikeFinder Articles of Association does not provide for limitations on the transferability or ownership of Shares.

The Shares have been created under the Norwegian Limited Companies Act and registered in Brønnøysund Registrene (House of Companies) and in the Share register administrated by the Company.

#### **11.1.3 Other financial instruments related to shares**

The Company has issued 6 518 warrants as of the writing of this prospectus.

The Company does not have any convertible loans or other instruments that would entitle a holder of any such to subscribe for any shares in the Company.

## 11.2 Shareholders

Shareholder	Shares	Percentage
Trethom AS	49,111	21.98%
Petroform AS	24,536	10.98%
Nitram Elo AS	19,373	8.64%
Herland Consulting AS	19,317	8.64%
Peritus Advisors AS	17,677	7.91%
Strawberry Equities AS	17,346	7.76%
Ultima Management AS	15,539	6.95%
Asesor AS	14,600	6.53%
Eigil Ingvar Thom	9,811	4.39%
Troll Ventures AS	8,125	3.64%
Jepson Holding AS	3,901	1.75%
Svaboe Invest AS	2,682	1.20%
Christian Rokseh Holding AS	2,682	1.20%
Alexander Kristoff Ltd	2,516	1.13%
Viggo Henriksen	2,211	0.99%
Arne Aareskjold	1,854	0.83%
Kira Invest AS	1,343	0.60%
Santer AS	1,343	0.60%
FS Invest AS	1,343	0.60%
Sunny Beach Capital AS	1,270	0.57%
Kjetil Sunde Invest AS	1,000	0.45%
Navine Invest AS	1,000	0.45%
Integri Consulting AS	917	0.41%
Philippa Boothman	714	0.32%
Youhua Fu	700	0.31%
Smådal Holding AS	635	0.28%
Jan Erik Sola Foss	570	0.26%
BFSI AS	500	0.22%
Andreas Hanekamhaug	390	0.17%
Jørgen Jensen Axelsen	367	0.02%
Torbjørn F. Stakseng	50	0.02%
Markus Aarekol Johannessen	48	0.02%
<b>SUM</b>	<b>223,476</b>	<b>100%</b>

All Shares carry equal voting rights and the major Shareholders in BikeFinder do not have any different rights. Each Share entitles one vote.

To the extent known to the Company, BikeFinder is not directly or indirectly owned or controlled by any party. The Company is not aware of any arrangements that may result in, prevent or restrict a change of control of the Company.



### 11.3 The articles of association

#### VEDTEKTER FOR BIKEFINDER AS

*(Vedtatt i styremøte den 9. oktober 2020)*

##### **§ 1 Foretaksnavn**

Selskapets foretaksnavn er Bikefinder AS. Selskapet er et aksjeselskap.

##### **§ 2 Forretningskontor**

Selskapets forretningskontor er i Stavanger kommune.

##### **§ 3 Virksomhet**

Utvikling, markedsføring og salg av sikkerhetsutstyr for sykkelleiere og tilknyttede produkter.

##### **§ 4 Aksjekapital**

Aksjekapitalen er NOK 223 476, fordelt på 223 476 aksjer, hver pålydende NOK 1,00.

##### **§ 5 Ledelse**

Selskapets firma tegnes av Styrets leder og ett styremedlem i fellesskap. Styret kan meddele prokura.

##### **§ 6 Registrering i verdipapirregister**

Selskapets aksjer kan registreres i et verdipapirregister.

##### **§ 7 Overdragelse av aksjer**

Ved overdragelse av aksjer har de øvrige aksjeeiere forkjøpsrett.

##### **§ 8 Forholdet til aksjeloven**

For øvrig henvises til den til enhver tid gjeldende aksjelovgivning

#### **11.4 Voting rights and other shareholder rights**

BikeFinder has one class of shares, and each Share carry equal voting rights at the General Meeting.

As a general rule, resolutions that Shareholders are entitled to make pursuant to Norwegian law or the Company's Articles of Association, requires approval by a simple majority of the votes cast.

As required under Norwegian law, certain decisions, including resolutions to waive preemptive rights in connection with any issue of shares, convertible bonds, warrants etc., to approve a merger or demerger, to amend the Company's Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants or to authorize the Board to purchase the Company's own Shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a General Meeting.

In general, in order to be entitled to vote, a Shareholder must be registered as the beneficial owner of Shares in the share register kept by the Company or Crowdworks or provide proof of its beneficial ownership. Beneficial owners of Shares that are registered in the name of a nominee may not be entitled to vote under Norwegian law unless such Shares are re-registered in the name of the beneficial owner, nor are any persons who are designated in the register as holding such Shares as nominees entitled to vote such Shares.

##### **11.4.1 Liability of directors**

Members of the Board of Directors owe a fiduciary duty to the Company and the Shareholders. Such fiduciary duty requires that each Board member acts in the best interests of BikeFinder when exercising his or her functions and exercise a general duty of loyalty and care towards BikeFinder. The Board members' principal task is to safeguard the interests of BikeFinder.

Members of the Board of Directors may each be held liable for any damage they negligently or willfully cause BikeFinder. Norwegian law permits the General Meeting to exempt any such person from liability, but the exemption is not binding if substantially correct and complete information was not provided at the General Meeting when the decision was taken. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend BikeFinder Articles of Association, Shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the Shareholders may pursue the claim on BikeFinder behalf and in its name. The cost of any such action is not BikeFinder responsibility but can be recovered from any proceeds it receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by such a majority as is necessary to amend the Articles of Association, the minority Shareholders cannot pursue the claim in BikeFinder name.

##### **11.4.2 Indemnification of directors and officers**

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by BikeFinder or the Board of Directors.

#### **11.5 Foreign exchange controls**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the Company shareholder

register who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

#### **11.6 Shareholder and dividend policy**

BikeFinder aims to create shareholder value through a combination of share appreciation and dividend yield.

#### **11.7 Shareholder agreements**

There is currently a Shareholders Agreement between the initial investors.

#### **11.8 Corporate governance**

The principle behind good corporate governance is to establish and maintain a strong, sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large.

The Board acknowledges the Norwegian recommendation of the Corporate Governance Code ("Norsk anbefaling for eierstyring og selskapsledelse") (the "Code"), and the principle of comply or explain, which means that a company may deviate from the provisions set forth in the Code, provided that each such deviation and the chosen alternative solution is properly explained, along with the reason for the deviation.

The Board is in the process of implemented the Code and will use its guidelines as the basis for the Board's governance duties, this work is not completed.

## 12 NORWEGIAN TAXATION

### 12.1 Introduction

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on Norwegian laws, rules, and regulations in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The summary does not address foreign tax laws.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

### 12.2 Taxation of dividends

#### 12.2.1 Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals resident in Norway for tax purposes ("Norwegian Personal Shareholders") are taxable as ordinary income in Norway for such shareholders at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share and any excess allowance from previous years, multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: statskasseveksler) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

#### 12.2.2 Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders"), are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the

Norwegian financial activity tax (banks, holding companies), the effective rate of taxation for dividends is 0.75%.

### **12.3 Taxation of capital gains on realization of shares**

#### **12.3.1 Norwegian Individual Shareholders**

Sale, non-proportionate redemption, or other disposals of shares is considered as realization for Norwegian tax purposes. A capital gain or loss derived by a Norwegian Individual Shareholder through realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal and taxable at an effective rate of 31,68% (the nominal rate is 22% but the taxable income or deductible loss is multiplied with a factor of 1,44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Individual Shareholders are entitled to deduct any unused tax-free allowance.

Any unused tax-free allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any unused tax-free allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

#### **12.3.2 Norwegian Corporate Shareholders**

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

### **12.3.3 Taxation of Subscription Rights**

#### **12.3.3.1 Norwegian Personal Shareholders**

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

#### **12.3.3.2 Norwegian Corporate Shareholders**

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares

#### **12.3.4 Net wealth tax**

The value of shares and subscription rights held by Norwegian Individual Shareholders as at 1 January in the year of assessment (i.e. the year following the relevant fiscal year) is included in the basis for the computation of net wealth tax imposed on such shareholders. Currently, the marginal wealth tax rate is

0.85% of the value assessed. year). The value for assessment purposes for unlisted shares in Norwegian tax resident companies is generally 65% of the shares' proportional share of the tax basis value of the company's assets as of 1. January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

## **12.5 Foreign Shareholders and Norwegian taxation**

### **12.5.1 Non-Norwegian Individual Shareholders**

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes (“Non-Norwegian Individual Shareholders”) are, as a rule, subject to withholding tax at a rate of 22%. The withholding tax rate of 22% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (please see “Norwegian Individual Shareholders” under Section 13.2.2 above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 22% calculated on the gross dividend less the tax-free allowance.

If a Non-Norwegian Individual Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Individual Shareholder, as described above.

Non-Norwegian Individual Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

### **12.5.2 Non-Norwegian Corporate Shareholders**

Dividends distributed to shareholders that are limited liability companies not resident in Norway for tax purposes (“Non-Norwegian Corporate Shareholders”) are, as a rule, subject to withholding tax at a rate of 22%. The withholding tax rate of 22% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities in Norway, the shareholder will be subject to the same taxation as a Norwegian Corporate Shareholders, as described above.

Non-Norwegian Corporate Shareholders who have suffered to a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax withheld. The same applies to Non-Norwegian Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends, pursuant to participation exemption.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders lies with the company distributing the dividends and the Company assumes this obligation.

## **12.6 Taxation of capital gains on realization of shares**

### **12.6.1 Non-Norwegian Individual Shareholders**

Gains from the sale or other disposals of shares in the Company by a Non-Norwegian Individual Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway. In such cases the shareholder will be subject to the same taxation as Norwegian Individual shareholders.

### **12.6.2 Non-Norwegian Corporate Shareholders**

Capital gains derived from the sale or other type of realization of shares in the Company by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

### **12.6.3 Net wealth tax**

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Individual Shareholders may, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

## **12.7 VAT and transfer tax**

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

## **12.8 Inheritance Tax**

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

## **13 LEGAL MATTERS**

The Company is currently not involved in any legal disputes, and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have, or have had during the last twelve months, significant effects on the Company's financial position or profitability.

Appendix 1. Financial income statements for the years ended 31 December 2019

See separate attachment