

PROSPECTUS SUPPLEMENT NO. 1  
To Prospectus dated March 29, 2022

# HYPERFINE

## HYPERFINE, INC.

**Up to 41,775,946 Shares of Class A Common Stock**  
**Up to 15,055,288 Shares of Class B Common Stock**

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This prospectus supplement no. 1 supplements the prospectus dated March 29, 2022, as supplemented from time to time (the “Prospectus”), relating to the resale from time to time by the Selling Securityholders named in the Prospectus (the “Selling Securityholders”) of up to (i) 5,025,000 shares of Class A common stock, par value \$0.0001 per share (“Class A common stock”), held by the sponsor of our predecessor company, HealthCor Catalio Acquisition Corp., a Delaware corporation (“HealthCor”), HC Sponsor LLC (the “Sponsor”), and certain of its transferees (the “Founder Shares”), (ii) 12,122,000 shares of Class A common stock issued in the PIPE Investment (as defined in the Prospectus), (iii) 23,714,946 shares of Class A common stock issued to our directors, officers and affiliates and the directors, officers and affiliates of Legacy Hyperfine (as defined in the Prospectus) pursuant to the Business Combination Agreement (as defined in the Prospectus), including shares of Class A common stock that may be issued upon the exercise of stock options (the “Options”) and the vesting of restricted stock units or upon the conversion of Class B common stock, par value \$0.0001 per share (“Class B common stock”), (iv) 614,000 shares of Class A common stock issued in the Private Placement (as defined in the Prospectus), (v) 300,000 shares issued following the closing of the Business Combination (as defined in the Prospectus) in lieu of \$3.0 million of deferred underwriting compensation payable to the sole bookrunning manager of HealthCor’s initial public offering (the “Letter Agreement Shares”), and (vi) 15,055,288 shares of Class B common stock issued pursuant to the Business Combination Agreement.

The Prospectus provides you with a general description of such securities and the general manner in which we and the Selling Securityholders may offer or sell the securities. More specific terms of any securities that we and the Selling Securityholders may offer or sell may be provided in a prospectus supplement that describes, among other things, the specific amounts and prices of the securities being offered and the terms of the offering. The prospectus supplement may also add, update or change information contained in the Prospectus.

We will not receive any proceeds from the sale of shares of Class A common stock or shares of Class B common stock by the Selling Securityholders, except with respect to amounts received by us upon exercise of the Options.

However, we will pay the expenses, other than any underwriting discounts and commissions, associated with the sale of securities pursuant to the Prospectus.

We registered the securities for resale pursuant to the Selling Securityholders’ registration rights under certain agreements between us and the Selling Securityholders. Our registration of the securities covered by the Prospectus does not mean that either we or the Selling Securityholders will issue, offer or sell, as applicable, any of the securities. The Selling Securityholders may offer and sell the securities covered by the Prospectus in a number of different ways and at varying prices. We provide more information about how the Selling Securityholders may sell the shares in the section entitled “Plan of Distribution” in the Prospectus.

This prospectus supplement incorporates into the Prospectus the information contained in our attached quarterly report on Form 10-Q, which was filed with the Securities and Exchange Commission on May 12, 2022.

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You should read this prospectus supplement in conjunction with the Prospectus, including any supplements and amendments thereto. This prospectus supplement is qualified by reference to the Prospectus except to the extent that the information in the prospectus supplement supersedes the information contained in the Prospectus. This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the Prospectus, including any supplements and amendments thereto.

Our Class A common stock is listed on Nasdaq under the symbol “HYPR”. On May 11, 2022, the closing price of our Class A common stock was \$2.20.

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**Investing in our securities involves a high degree of risk. See “Risk Factors” beginning on page 13 of the Prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement of the Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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The date of this prospectus supplement is May 12, 2022.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-39949

**Hyperfine, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**351 New Whitfield Street**  
**Guilford, Connecticut**  
(Address of principal executive offices)

**98-1569027**  
(IRS Employer  
Identification No.)

**06437**  
(Zip Code)

**(866) 796-6767**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 Par Value Per Share	HYPR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 10, 2022, the registrant had 55,277,061 shares of Class A common stock outstanding and 15,055,288 shares of Class B common stock outstanding.

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## EXPLANATORY NOTE

On December 22, 2021, HealthCor Catalio Acquisition Corp., a blank check company incorporated as a Cayman Islands exempted company with limited liability (“HealthCor” and after the Business Combination described herein, the “Company”), after domesticating as a Delaware corporation on December 21, 2021, consummated the previously announced business combination (the “Business Combination”) pursuant to the terms of the Business Combination Agreement, dated as of July 7, 2021 (the “Business Combination Agreement”), by and among HealthCor, Optimus Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of HealthCor (“Merger Sub I”), Optimus Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of HealthCor (“Merger Sub II”), Hyperfine, Inc., a Delaware corporation (“Legacy Hyperfine”), and Liminal Sciences, Inc., a Delaware corporation (“Liminal”). On December 22, 2021, immediately upon the consummation of the Business Combination, and such completion, the “Closing”), Merger Sub I merged with and into Legacy Hyperfine (the “Hyperfine Merger”), with Hyperfine surviving the Hyperfine Merger as a wholly owned subsidiary of HealthCor, and Merger Sub II merged with and into Liminal (the “Liminal Merger”), with Liminal surviving the Liminal Merger as a wholly owned subsidiary of HealthCor. In connection with the Business Combination, HealthCor changed its name to “Hyperfine, Inc.,” Legacy Hyperfine changed its name to “Hyperfine Operations, Inc.” and Liminal changed its name to “Liminal Operations, Inc.” and subsequently to “Liminal Sciences, Inc.” Following the Closing, the Company’s Class A common stock is listed on the Nasdaq Global Market under the symbol “HYPR”. Unless the context requires otherwise, references in this report to the “Company,” “we,” “us,” and “our” refer to Hyperfine, Inc. and its wholly-owned subsidiaries, including Legacy Hyperfine and Liminal, as the case may be.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that relate to future events or our future financial performance regarding, among other things, the plans, strategies and prospects, both business and financial, of the Company. These statements are based on the beliefs and assumptions of our management team. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words “believes,” “estimates,” “expects,” “projects,” “forecasts,” “may,” “will,” “should,” “seeks,” “plans,” “scheduled,” “anticipates” or “intends” or similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the anticipated benefits of the Business Combination;
- the success, cost and timing of our product development activities;
- the commercialization and adoption of our existing products and the success of our future product offerings;
- the potential attributes and benefits of our products and services;
- our ability to obtain and maintain regulatory approval for our products, and any related restrictions and limitations of any approved product;
- our ability to identify, in-license or acquire additional technology;
- our ability to maintain our existing licensing, manufacturing and supply agreements;
- our ability to compete with other companies currently marketing or engaged in the development of magnetic resonance imaging technologies, many of which have greater financial and marketing resources than us;
- the size and growth potential of the markets for our products and services, and the ability of each to serve those markets, either alone or in partnership with others;
- the pricing of our products and services and reimbursement for medical procedures conducted using our products and services;
- changes in applicable laws or regulations;
- our estimates regarding expenses, revenue, capital requirements and needs for additional financing;
- our ability to raise financing in the future;
- our financial performance;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- intense competition and competitive pressures from other companies in the industry in which we operate;
- market conditions and global and economic factors;

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- our intellectual property rights;
- the effect of legal, tax and regulatory changes; and
- the impact of the COVID-19 pandemic on our business and operations.

These and other risks and uncertainties are described in greater detail under the caption “Risk Factors” in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, in Item 1A of Part II of this quarterly report, and in other filings that we make with the Securities and Exchange Commission, or SEC. The risks described under the heading “Risk Factors” are not exhaustive. New risk factors emerge from time to time, and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements, which speak only as of the date hereof. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

**HYPERFINE, INC. AND SUBSIDIARIES**  
**CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEETS (Unaudited)**  
*(in thousands, except share and per share amounts)*

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 161,580	\$ 188,498
Restricted cash	1,983	2,662
Accounts receivable, less allowance of \$80 and \$32 as of March 31, 2022 and December 31, 2021, respectively	1,944	553
Unbilled receivables	478	91
Inventory	4,538	4,310
Prepaid expenses and other current assets	3,205	1,357
Due from related parties	1	14
Total current assets	<u>\$ 173,729</u>	<u>\$ 197,485</u>
Property and equipment, net	3,877	3,753
Other long term assets	1,222	1,235
<b>Total assets</b>	<b><u>\$ 178,828</u></b>	<b><u>\$ 202,473</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,745	\$ 2,248
Deferred grant funding	1,983	2,662
Deferred revenue	973	730
Due to related parties	97	1,981
Accrued expenses and other current liabilities	6,616	8,115
Total current liabilities	<u>\$ 11,414</u>	<u>\$ 15,736</u>
Long term deferred revenue	851	510
<b>Total liabilities</b>	<b><u>\$ 12,265</u></b>	<b><u>\$ 16,246</u></b>
<b>COMMITMENTS AND CONTINGENCIES (NOTE 12)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Class A Common stock, \$.0001 par value; 600,000,000 shares authorized; 55,277,061 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	5	5
Class B Common stock, \$.0001 par value; 27,000,000 shares authorized; 15,055,288 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	2	2
Additional paid-in capital	326,651	322,540
Accumulated deficit	(160,095)	(136,320)
<b>Total stockholders' equity</b>	<b><u>\$ 166,563</u></b>	<b><u>\$ 186,227</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 178,828</u></b>	<b><u>\$ 202,473</u></b>

The accompanying notes are an integral part of these condensed combined and consolidated financial statements.



**HYPERFINE, INC. AND SUBSIDIARIES**  
**CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS AND**  
**COMPREHENSIVE LOSS (Unaudited)**

*(in thousands, except share and per share amounts)*

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Sales</b>		
Device	\$ 1,192	\$ 169
Service	317	162
Total sales	<u>\$ 1,509</u>	<u>\$ 331</u>
<b>Cost of sales</b>		
Device	\$ 1,037	\$ 548
Service	388	60
Total cost of sales	<u>\$ 1,425</u>	<u>\$ 608</u>
<b>Gross margin</b>	<b>84</b>	<b>(277)</b>
<b>Operating Expenses:</b>		
Research and development	\$ 8,334	\$ 4,474
General and administrative	11,360	1,858
Sales and marketing	4,161	1,196
<b>Total operating expenses</b>	<b>23,855</b>	<b>7,528</b>
<b>Loss from operations</b>	<b>\$ (23,771)</b>	<b>\$ (7,805)</b>
Interest income	\$ 1	\$ 5
Other income (expense), net	(5)	6
<b>Loss before provision for income taxes</b>	<b>\$ (23,775)</b>	<b>\$ (7,794)</b>
Provision for income taxes	—	—
<b>Net loss and comprehensive loss</b>	<b>\$ (23,775)</b>	<b>\$ (7,794)</b>
Net loss per common share attributable to common stockholders, basic and diluted	\$ (0.34)	\$ (4.86)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	70,332,349	1,602,732

The accompanying notes are an integral part of these condensed combined and consolidated financial statements.

**HYPERFINE, INC. AND SUBSIDIARIES**  
**CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT) (Unaudited)**  
*(in thousands, except share amounts)*

	Hyperfine Convertible Preferred Stock		Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance, December 31, 2021</b>	—	\$ —	55,277,061	\$ 5	15,055,288	\$ 2	\$ 322,540	\$ (136,320)	\$ 186,227
Net loss	—	—	—	—	—	—	—	(23,775)	(23,775)
Stock-based compensation expense	—	—	—	—	—	—	4,111	—	4,111
<b>Balance, March 31, 2022</b>	<u>—</u>	<u>\$ —</u>	<u>55,277,061</u>	<u>\$ 5</u>	<u>15,055,288</u>	<u>\$ 2</u>	<u>\$ 326,651</u>	<u>\$ (160,095)</u>	<u>\$ 166,563</u>

	Hyperfine Convertible Preferred Stock		Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance, December 31, 2020</b>	95,010,858	\$ 128,286	1,576,137	\$ —	—	\$ —	\$ 10,415	\$ (71,469)	\$ (61,054)
Net loss	—	—	—	—	—	—	—	(7,794)	(7,794)
Issuance of Series D convertible preferred stock, net of issuance costs	14,171,333	30,461	—	—	—	—	—	—	—
Investment from 4Bionics, LLC	—	—	—	—	—	—	700	—	700
Exercise of stock options	—	—	41,958	—	—	—	49	—	49
Stock-based compensation expense	—	—	—	—	—	—	267	—	267
<b>Balance, March 31, 2021</b>	<u>109,182,191</u>	<u>\$ 158,747</u>	<u>1,618,095</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 11,431</u>	<u>\$ (79,263)</u>	<u>\$ (67,832)</u>

The accompanying notes are an integral part of these condensed combined and consolidated financial statements.

**HYPERFINE, INC. AND SUBSIDIARIES**  
**CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**  
*(in thousands)*

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (23,775)	\$ (7,794)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	253	96
Stock-based compensation expense	4,111	267
Write-down of inventory	—	75
Payments received on net investment in lease	2	3
Changes in assets and liabilities:		
Accounts receivable	(1,391)	(467)
Unbilled receivables	(387)	(8)
Inventory	(228)	(672)
Prepaid expenses and other current assets	(1,848)	(326)
Due from related parties	13	882
Prepaid inventory	—	(16)
Other long term assets	11	(7)
Accounts payable	(565)	169
Deferred grant funding	(679)	—
Deferred revenue	584	600
Due to related parties	(1,884)	19
Accrued expenses and other current liabilities	(1,506)	(307)
<b>Net cash used in operating activities</b>	<b>\$ (27,289)</b>	<b>\$ (7,486)</b>
<b>Cash flows from investing activities:</b>		
Purchases of fixed assets	(308)	(170)
<b>Net cash used in investing activities</b>	<b>\$ (308)</b>	<b>\$ (170)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of stock options	—	49
Proceeds from issuance of Series D convertible preferred stock	—	30,468
Stock issuance costs related to Series D convertible preferred stock	—	(7)
Investment from 4Bionics, LLC	—	700
<b>Net cash provided by financing activities</b>	<b>\$ —</b>	<b>\$31,210</b>
<b>Net (decrease) increase in cash and cash equivalents and restricted cash</b>	<b>(27,597)</b>	<b>23,554</b>
Cash, cash equivalents and restricted cash, beginning of period	191,160	64,286
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$163,563</b>	<b>\$87,840</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash reported in the statement of financial position</b>		
Cash and cash equivalents	\$161,580	\$86,230
Restricted cash	1,983	1,610
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$163,563</b>	<b>\$87,840</b>
Supplemental disclosure of cash flow information:		
Cash received from exchange of research and development tax credits	\$ —	\$ 324
Supplemental disclosure of noncash information:		
Noncash acquisition of fixed assets	\$ 62	\$ 58
Write-off of notes receivable	\$ 90	\$ —

The accompanying notes are an integral part of these condensed combined and consolidated financial statements.

**HYPERFINE, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**  
*(all amounts are in thousands, except share and per share amounts)*

**1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

Hyperfine, Inc. (together with its subsidiaries, as applicable, “Hyperfine” or the “Company”), formerly known as HealthCor Catalio Acquisition Corp. (“HealthCor”), was incorporated as a Cayman Islands exempted company on November 18, 2020. The Company’s legal name became Hyperfine, Inc. in connection with the closing (the “Closing”) of the business combination with HealthCor (the “Business Combination”) on December 22, 2021 (the “Closing Date”). In connection with the Closing, Hyperfine, Inc., a Delaware corporation (“Legacy Hyperfine”), and Liminal Sciences, Inc., a Delaware corporation (“Liminal”), merged with and into separate wholly owned subsidiaries of HealthCor and became wholly-owned subsidiaries of the Company (the “Mergers”), and changed their names to Hyperfine Operations, Inc. and Liminal Operations, Inc., respectively. Liminal subsequently changed its name to Liminal Sciences, Inc. The prior period financial information represents the combined financial results of Legacy Hyperfine and Liminal.

The Company is an innovative digital health business with a mission to provide affordable and accessible imaging and monitoring through magnetic resonance imaging (“MRI”) to revolutionize healthcare for people around the world. Hyperfine’s Swoop® Portable Magnetic Resonance (“MR”) Imaging System™ produces high-quality images at a lower magnetic field strength than conventional MRI systems, and can be used by healthcare professionals to make effective clinical diagnoses on a patient in a variety of settings where MRI devices have previously been inaccessible. Hyperfine received 510(k) clearance from the U.S. Food and Drug Administration (“FDA”) in 2020 for its Swoop Portable MR Imaging System, which is commercially available in the United States. In 2021, Hyperfine also obtained a Medical Device License issued by Health Canada and expanded into the Canadian market, and also obtained regulatory authorization in New Zealand and Pakistan. All of the Company’s revenue to date has been generated from sales of this machine and related services. Additionally, the Company is in the process of developing a device to non-invasively measure key vital signs in the brain to enable unprecedented access to dramatically improve patient outcomes. The Company is in the early research and development stage of such device and has not generated any revenue to date for it. In addition to Legacy Hyperfine and Liminal, the Company has an indirect wholly-owned subsidiary in the United Kingdom that has not had any significant operations during 2022 and 2021. As of March 31, 2022, the Company had a total of 85 Swoop systems installed including 27 research units which are installed, at no cost to the institutions, to expand clinical use cases.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation and Principles of Consolidation*

The accompanying condensed combined and consolidated financial statements include the accounts of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the accounting disclosure rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. All intercompany transactions and balances have been eliminated.

These condensed combined and consolidated financial statements should be read in conjunction with the financial statements and notes included in the Company’s audited combined and consolidated financial statements as of and for the years ended December 31, 2021 and 2020. The condensed combined and consolidated balance sheet as of December 31, 2021 included herein was derived from the audited combined and consolidated financial statements as of that date, but does not include all disclosures, including certain notes required by U.S. GAAP, on an annual reporting basis.

In the opinion of management, the accompanying condensed combined and consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods. The results for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for any subsequent quarter, the year ending December 31, 2022, or any other period.

Except as described elsewhere in this Note 2 under the heading “Recent Accounting Pronouncements”, there have been no material changes to the Company’s significant accounting policies as described in the audited combined and consolidated financial statements as of December 31, 2021 and 2020.

**HYPERFINE, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**  
*(all amounts are in thousands, except share and per share amounts)*

*COVID-19 Outbreak*

The recent outbreak of the novel coronavirus (“COVID-19”), which was declared a pandemic by the World Health Organization on March 11, 2020 and declared a National Emergency by the President of the United States on March 13, 2020, has led to adverse impacts on the U.S. and global economies and created uncertainty regarding potential impacts on the Company’s operating results, financial condition and cash flows. The COVID-19 pandemic has had, and is expected to continue to have, an adverse impact on the Company’s operations, particularly as a result of preventive and precautionary measures that the Company, other businesses, and governments are taking. Governmental mandates related to COVID-19 or other infectious diseases, or public health crises, have impacted, and the Company expects them to continue to impact, its personnel and personnel at third-party manufacturing facilities in the United States and other countries, and the availability or cost of materials, which could disrupt or delay the Company’s receipt of instruments, components and supplies from the third parties the Company relies on to, among other things, produce its products. The COVID-19 pandemic has also had an adverse effect on the Company’s ability to attract, recruit, interview and hire at the pace the Company would typically expect to support its rapidly expanding operations. The full extent to which the COVID-19 pandemic will directly or indirectly impact the Company’s business, results of operations and financial condition, including expenses and research and development costs, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19, its economic or other impacts, and the actions taken to contain the COVID-19 pandemic or address its impacts.

In adjusting to the COVID-19 market and manufacturing conditions, the Company did not have to materially adjust its existing resource allocation or its factors of production. The Company has not incurred any significant impairment losses in the carrying values of its assets as a result of the COVID-19 pandemic and is not aware of any specific related event or circumstance that would require the Company to revise its estimates reflected in its condensed combined and consolidated financial statements.

The estimates of the impact on the Company’s business may change based on new information that may emerge concerning COVID-19 and the actions to contain it or address its impact and the economic impact on local, regional, national and international markets. While the Company is unable to predict the full impact that the COVID-19 pandemic will have on its future results of operations, liquidity and financial condition due to numerous uncertainties, including the duration of the pandemic, and the actions that may be taken by government authorities across the United States and elsewhere, it is not expected to result in any significant changes in costs going forward.

*Concentration of Credit Risk*

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents. At March 31, 2022 and December 31, 2021, substantially all the Company’s cash and cash equivalents were invested at two financial institutions. The Company also maintains balances in various operating accounts above federally insured limits. The Company has not experienced any losses on such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**HYPERFINE, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**  
*(all amounts are in thousands, except share and per share amounts)*

Significant customers are those that represent more than 10% of the Company's total revenues or gross accounts receivable balances for the periods and as of each balance sheet date presented. For each significant customer, revenue as a percentage of total revenues and gross accounts receivable as a percentage of total gross accounts receivable were as follows:

	Revenue		Accounts receivable	
	For the three months ended March 31, 2022	For the three months ended March 31, 2021	As of March 31, 2022	As of December 31, 2021
Customer A	30%	0%	37%	0%
Customer B	11%	0%	1%	0%
Customer C	11%	0%	14%	0%
Customer D	11%	0%	0%	0%
Customer E	11%	0%	5%	0%
Customer F	2%	21%	0%	0%
Customer G	1%	18%	0%	0%
Customer H	0%	17%	2%	0%
Customer I	1%	0%	12%	41%
Customer J	2%	0%	7%	26%
Customer K	1%	0%	1%	24%

The Company utilizes a single exclusive manufacturer for its Swoop MRI scanner. Additionally, the Company purchases raw materials from this manufacturer.

#### *Segment Information*

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer ("CEO"). Legacy Hyperfine and Liminal represent two operating segments. Given the similar qualitative and economic characteristics of the two operating segments, such that both are focused upon the development and commercialization of existing and new products and services, Legacy Hyperfine and Liminal are aggregated into one reporting segment. All of the Company's long-lived assets are located in the United States. Other than \$509 of revenue recognized in Canada and Pakistan for the three months ended March 31, 2022, all of the revenues during this period were earned in the United States. Since the Company is aggregated into a single operating segment, all required financial segment information is provided in the condensed combined and consolidated financial statements.

#### *Use of Estimates*

The preparation of the condensed combined and consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions about future events that affect the amounts reported in its condensed combined and consolidated financial statements and accompanying notes. Future events and their effects cannot be determined with certainty. On an ongoing basis, management evaluates these estimates and assumptions. Significant estimates and assumptions included:

- Revenue recognition, including determination of the timing and pattern of satisfaction of performance obligations, determination of the standalone selling price ("SSP") of performance obligations and estimation of variable consideration;
- Allowance for doubtful accounts;
- Net realizable value (the selling price as well as estimated costs of disposal and transportation) of inventory, and demand and future use of inventory;
- Valuation allowances with respect to deferred tax assets; and
- Assumptions underlying the fair value used in calculation of the stock-based compensation expense.

The Company bases these estimates on historical and anticipated results and trends and on various other assumptions that the Company believes are reasonable under the circumstances, including assumptions as to future events. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates, and any such differences may be material to the Company's condensed combined and consolidated financial statements.

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*Recent Accounting Pronouncements*

*Accounting pronouncements issued but not yet adopted*

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-02, *Leases (Topic 842)*, which outlines a comprehensive lease accounting model and supersedes the current lease guidance. The new guidance requires lessees to recognize almost all of their leases on the balance sheet by recording a lease liability and corresponding right-of-use assets. It also changes the definition of a lease and expands the disclosure requirements of lease arrangements. As per the latest ASU 2020-05 issued by the FASB, entities that have not yet issued or made available for issuance the financial statements as of June 3, 2020 can defer the new guidance for one year. For public entities, this guidance is effective for annual reporting periods beginning January 1, 2020, including interim periods within that annual reporting period. For the Company, this guidance is effective for annual reporting periods beginning January 1, 2022, and interim reporting periods within annual reporting periods beginning January 1, 2023. The Company is in the process of evaluating the impact that the adoption of this pronouncement will have on the Company’s condensed combined and consolidated financial statements and does not expect it to be material.

In June 2016, the FASB issued ASU No. 2016-13, “*Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*,” which was subsequently amended in November 2018 through ASU No. 2018-19, “*Codification Improvements to Topic 326, Financial Instruments — Credit Losses*.” ASU No. 2016-13 will require entities to estimate lifetime expected credit losses for trade and other receivables, net investments in leases, financing receivables, debt securities and other instruments, which will result in earlier recognition of credit losses. Further, the new credit loss model will affect how entities in all industries estimate their allowance for losses for receivables that are current with respect to their payment terms. ASU No. 2018-19 further clarifies that receivables arising from operating leases are not within the scope of Topic 326. Instead, impairment from receivables of operating leases should be accounted for in accordance with Topic 842, *Leases*. As per the latest ASU 2020-02, the FASB deferred the timelines for certain small public and private entities, thus the new guidance will be adopted by the Company for the annual reporting period beginning January 1, 2023, including interim periods within that annual reporting period. The standard will apply as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company is in the process of evaluating the impact that the adoption of this pronouncement will have on the Company’s condensed combined and consolidated financial statements and disclosures.

### 3. REVENUE RECOGNITION

*Disaggregation of Revenue*

The Company disaggregates revenue from contracts with customers by product type. The Company believes that these categories aggregate the payor types by nature, amount, timing and uncertainty of its revenue streams. The following table summarizes the Company’s disaggregated revenues:

	Pattern of Recognition	Three Months Ended March 31,	
		2022	2021
Device	Point in time	\$ 1,192	\$ 169
Service	Over time	317	162
<b>Total revenue</b>		<b>\$ 1,509</b>	<b>\$ 331</b>

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#### *Contract Balances*

Contract balances represent amounts presented in the condensed combined and consolidated balance sheets when either the Company has transferred goods or services to the customer, or the customer has paid consideration to the Company under the contract. These contract balances include trade accounts receivable and deferred revenue. Deferred revenue represents consideration received from customers at the beginning of the subscription period for services that are transferred to the customer over the respective subscription period. The accounts receivable balances represent amounts billed to customers for goods and services where the Company has an unconditional right to payment of the amount billed.

The following table provides information about receivables and deferred revenue from contracts with customers:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Accounts receivable, net	\$ 1,944	\$ 553
Unbilled receivables	478	91
Deferred revenue	973	730
Long term deferred revenue	851	510

The Company recognizes a receivable when it has an unconditional right to payment, and payment terms range from 20 days to 6 months based on the terms agreed upon with the respective customer.

For the three months ended March 31, 2022, revenue is recognized for sales of hardware device where control of the product transfers to the customer, which is now typically upon shipment of goods.

The amount of revenue recognized during the three months ended March 31, 2022 and 2021 that was included in the deferred revenue balance at the beginning of the period was \$203 and \$58, respectively.

Revenue from leasing arrangements is not subject to the revenue standard for contracts with customers and remains separately accounted for under existing lease accounting guidance. The Company records operating lease rental revenue as service revenue on a straight-line basis over the lease term. The Company records revenue from the sale of equipment under sales-type leases as product revenue in an amount equal to the present value of minimum lease payments at the inception of the lease. Sales-type leases also produce financing income, which is included in products net revenue in the condensed combined and consolidated statements of operations and comprehensive loss and is recognized at effective rates of return over the lease term.

#### *Costs of Obtaining or Fulfilling Contracts*

The Company incurs incremental costs of obtaining contracts with customers. Incremental costs of obtaining contracts, which include commissions paid as a result of obtaining contracts with customers, are capitalized to the extent that the Company expects to recover such costs. Capitalized costs are amortized in a pattern that is consistent with the Company's transfer to the customer of the related goods and services. Such costs are recorded in Other long term assets and were \$198 and \$158 as of March 31, 2022 and December 31, 2021, respectively.

#### *Transaction price allocated to remaining performance obligations*

As of March 31, 2022 and December 31, 2021, the Company had remaining performance obligations amounting to \$3,975 and \$2,800, respectively. The Company expects to recognize approximately 39% of its remaining performance obligations as revenue in fiscal year 2022, and an additional 61% in fiscal year 2023 and thereafter.

#### **4. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value.

The Company measures fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The Company utilizes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:



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**Level 1** — Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

**Level 2** — Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

**Level 3** — Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company has no assets or liabilities valued with Level 3 inputs.

The carrying value of cash and cash equivalents, notes receivable, accounts payable and accrued expenses and other current liabilities approximates their fair values due to the short-term or on demand nature of these instruments.

There were no transfers between fair value measurement levels during the three months ended March 31, 2022 and 2021.

The Company had \$41,417 and \$48,625 of money market funds included in cash and cash equivalents and restricted cash as of March 31, 2022 and December 31, 2021, respectively. These assets were valued using quoted market prices and accordingly were classified as Level 1.

## 5. INVENTORIES

A summary of inventories is as follows:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Raw materials	\$ 2,356	\$ 2,355
Finished goods	2,182	1,955
<b>Total inventories</b>	<b>\$ 4,538</b>	<b>\$ 4,310</b>

Manufacturing overhead costs primarily include management's best estimate and allocation of the labor costs incurred related to acquiring finished goods from the Company's contract manufacturer. Labor costs include wages, taxes and benefits for employees involved in warehousing, logistics coordination, material sourcing, and production planning activities.

For the three months ended March 31, 2022 and 2021, net realizable value inventory adjustments and excess and obsolete inventory were charges of \$0 and \$75, respectively, and were recognized in cost of sales.

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**6. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, are recorded at historical cost and consist of the following:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Laboratory equipment	\$ 1,028	\$ 989
Research devices	1,643	1,422
Sales and marketing devices	669	669
Computer equipment	617	575
Construction in progress	347	341
Tooling	317	302
Trade show assets	271	293
Leased devices	453	396
Other	176	176
	<u>5,521</u>	<u>5,163</u>
Less: Accumulated depreciation and amortization	(1,644)	(1,410)
<b>Property and equipment, net</b>	<b><u>\$ 3,877</u></b>	<b><u>\$ 3,753</u></b>

Depreciation and amortization expense amounted to \$253 and \$96 for the three months ended March 31, 2022 and 2021, respectively.

**7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accrued expenses and other current liabilities consist of the following:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Bonus	\$ 2,724	\$ 3,421
Contracted services	1,842	2,711
SPAC bonus and other costs	250	1,071
Legal fees	352	452
Payroll and related benefits	1,321	441
Other	127	19
<b>Total accrued expenses and other current liabilities</b>	<b><u>\$ 6,616</u></b>	<b><u>\$ 8,115</u></b>

**8. EQUITY INCENTIVE PLAN**

The Hyperfine 2021 Equity Incentive Plan (the "Hyperfine Plan") is administered by the Company's board of directors. The board of directors may grant restricted stock units ("RSUs") and options to purchase shares either as incentive stock options or non-qualified stock options, and other stock-based awards. The option grants are subject to certain terms and conditions, option periods and conditions, exercise rights and privileges as set forth in the Hyperfine Plan.

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**Stock option activity**

The following table summarizes the changes in the Company's outstanding stock options for the three months ended March 31, 2022:

	<b>Number of Options</b>
Outstanding at January 1, 2022	7,522,136
Granted	4,231,693
Exercised	—
Forfeited	(271,368)
Outstanding at March 31, 2022	<u>11,482,461</u>

In general, each award will vest based on continued service which is generally over 4 years. The grant date fair value of the award will be recognized as stock-based compensation expense over the requisite service period. The grant date fair value was determined using similar methods and assumptions as those previously disclosed by the Company.

**Restricted stock unit activity**

The following table summarizes the changes in the Company's outstanding restricted stock units for the three months ended March 31, 2022:

	<b>Number of RSUs</b>
Outstanding at January 1, 2022	117,516
Granted	1,660,535
Exercised	—
Forfeited	—
Outstanding at March 31, 2022	<u>1,778,051</u>

Included in the table above are service-based restricted stock units. During the three months ended March 31, 2022, the Company granted 1.7 million service-based awards. Each award will vest based on continued service which is generally over 3-4 years. The grant date fair value of the award will be recognized as stock-based compensation expense over the requisite service period. The fair value of restricted stock units was estimated on the date of grant based on the fair value of the Company's Class A common stock.

On April 26, 2022, the Board of Directors approved a grant of 649,350 RSUs to the CEO having an aggregate value of \$2,500 and which will be paid in four equal installments in February, May, August and November 2023.

The following table presents details of stock-based compensation expenses by functional line item noted within the Company's operating expenses:

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Cost of sales - Device	16	—
Research and development	781	209
Sales and marketing	96	6
General and administrative	3,218	52
	<u>4,111</u>	<u>267</u>

**9. NET LOSS PER SHARE**

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock of the Company outstanding during the period. Diluted net loss per share is computed by giving effect to all common equivalent shares of the Company, including convertible preferred stock, outstanding stock options, RSUs and Earn-Out Shares, to the extent dilutive. Basic and diluted net loss per share was the same for each period presented as the inclusion of all common equivalent shares of the Company outstanding would have been anti-dilutive.

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The following table presents the calculation of basic and diluted net loss per share for the Company's common stock:

	Three Months Ended March 31,	
	2022	2021
<b>Numerator:</b>		
Net Loss	\$ (23,775)	\$ (7,794)
<b>Numerator for Basic and Dilutive EPS – Loss available to common stockholders</b>	<b>\$ (23,775)</b>	<b>\$ (7,794)</b>
<b>Denominator:</b>		
Common Stock	70,332,349	1,602,732
<b>Denominator for Basic and Dilutive EPS - Weighted-average common stock</b>	<b>70,332,349</b>	<b>1,602,732</b>
<b>Basic and dilutive loss per share</b>	<b>\$ (0.34)</b>	<b>\$ (4.86)</b>

Since the Company was in a net loss position for all periods presented, the basic loss per share calculation excludes preferred stock as it does not participate in net losses of the Company. Additionally, net loss per share attributable to Class A and Class B common stockholders was the same on a basic and diluted basis, as the inclusion of all common equivalent shares outstanding would have been anti-dilutive. Anti-dilutive common equivalent shares were as follows:

	Three Months Ended March 31,	
	2022	2021
Outstanding options to purchase common stock	11,482,461	1,851,656
Outstanding Legacy Hyperfine convertible preferred stock (Series A through D)	—	35,757,168
Outstanding RSUs	1,778,051	—
Earn-Out Shares (1)	10,000,000	—
<b>Total anti-dilutive common equivalent shares</b>	<b>23,260,512</b>	<b>37,608,824</b>

- (1) The Company will issue to holders of Legacy Hyperfine and Liminal securities as of immediately prior to the effective time of the Mergers, in accordance with their pro rata share, up to 10,000,000 shares of Class A common stock as earn-out consideration (the "Earn-Out Shares"), if at any time during the period between the Closing Date of December 22, 2021 and the third anniversary of the Closing Date (the "Earn-Out Period"), (i) the last share price of the Class A common stock is greater than or equal to \$15.00 for any 20 trading days within any 30 consecutive trading day period, or (ii) there is a transaction that will result in shares of Class A common stock being converted or exchanged into the right to receive cash or other consideration having a value greater than or equal to \$15.00. During the Earn-Out Period, if there is a transaction (other than for stock splits, stock dividends, special cash dividends, reorganizations, recapitalizations or similar transactions affecting the Class A common stock) that will result in the shares of Class A common stock being converted or exchanged into the right to receive cash or other consideration having a value less than \$15.00, then the right to receive Earn-Out Shares will terminate.

**10. INCOME TAXES**

The Company accounts for income taxes under ASC 740, "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

Income taxes for the three months ended March 31, 2022 and 2021 are recorded at the Company's estimated annual effective income tax rate, subject to adjustments for discrete events, if they occur. The Company's estimated annual effective tax rate was 0.0% for the three months ended March 31, 2022 and 2021. The primary reconciling items between the federal statutory rate of 21.0% for these periods and the Company's overall effective tax rate of 0.0% were related to the effects of deferred state income taxes, research and development credits, and the valuation allowance recorded against the full amount of its net deferred tax assets.

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A valuation allowance is required when it is more likely than not that some portion or all of the Company's deferred tax assets will not be realized. The realization of deferred tax assets depends on the generation of sufficient future taxable income during the period in which the Company's related temporary differences become deductible. The Company has recorded a full valuation allowance against its net deferred tax assets as of March 31, 2022 and 2021 since management believes that based on the earnings history of the Company, it is more likely than not that the benefits of these assets will not be realized.

**11. RELATED PARTY TRANSACTIONS**

The Company utilizes and subleases office and lab space in Connecticut which is being leased from an unrelated landlord by 4Catalyzer Corporation, ("4C"), which is owned by a related party. The Company pays rent to 4C on a month-to-month basis, and no lease agreement was entered into between the parties until June 2021. A total of approximately \$30 and \$28 was paid during the three months ended March 31, 2022 and 2021, respectively.

Prior to 4Bionics executing a plan of liquidation and dissolution on April 2, 2021, certain expenses incurred at 4Bionics were allocated to its subsidiaries, including Liminal. Expenses that broadly benefited 4Bionics and its subsidiaries were allocated evenly amongst its three subsidiaries. Expenses that were incurred on behalf of the employees of each company were allocated based on each subsidiary's relative headcount. The method used to allocate common expenses of 4Bionics to Liminal is reasonable. There were no proceeds allocated to Liminal for the three months ended March 31, 2022 and total expenses allocated to Liminal for the three months ended March 31, 2021 were \$10.

In January 2018, the Company entered into a Promissory Note (the "Note") with one of its employees (the "Borrower") in the amount of \$90. The Note bears interest at a rate equal to 1.68% per annum. In accordance with the terms of the Note, since the Borrower remained employed with the Company on the maturity date of January 11, 2022, \$90 of the then outstanding principal amount and all interest accrued to that date was forgiven and Borrower is no longer required to repay the amount.

The Company was a party to an Amended and Restated Technology Services Agreement (the "ARTSA"), most recently amended on November 11, 2020, by and among 4C, the Company and other participant companies controlled by the Rothberg family. Under the ARTSA, the Company and the other participant companies agreed to share certain non-core technologies, which means any technologies, information or equipment owned or otherwise controlled by the participant company that are not specifically related to the core business area of the participant and subject to certain restrictions on use. The ARTSA also provided for 4C to perform certain services for the Company and each other participant company such as monthly administrative, management and technical consulting services to the Company which are pre-funded approximately once a quarter. The Company incurred expenses from 4C of \$154 and \$870 during the three months ended March 31, 2022 and 2021, respectively. There were no amounts advanced to and due from 4C at March 31, 2022 and December 31, 2021. There was also \$72 and \$1,872 of amounts due to 4C for expenses paid on their behalf at March 31, 2022 and December 31, 2021, respectively. These payables are included in Due to related parties on the condensed combined and consolidated balance sheets. On July 7, 2021, Legacy Hyperfine, Liminal and 4C entered into First Addendums to the ARTSA, pursuant to which Legacy Hyperfine and Liminal each terminated its participation under the ARTSA immediately prior to the Closing. Legacy Hyperfine and Liminal each entered into a Master Services Agreement (the "Master Services Agreements") with 4C effective as of July 7, 2021 pursuant to which Legacy Hyperfine and Liminal may engage 4C to provide services such as general administration, facilities, information technology, financing, legal, human resources and other services, through future statements of work and under terms and conditions to be determined by the parties with respect to any services to be provided.

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The ARTSA also provided for the participant companies to provide other services to each other. The Company also has transactions with other entities under common ownership, which include payments made to third parties on behalf of the Company. The amounts remaining payable at March 31, 2022 and December 31, 2021 are \$25 and \$110, respectively, and are included in Due to related parties on the condensed combined and consolidated balance sheets. In addition, the Company has transactions with these other entities under common ownership which include payments made by the Company to third parties on behalf of the other entities and the remaining amounts receivable were \$1 and \$14 in the aggregate at March 31, 2022 and December 31, 2021, respectively, and are reflected in Due from related parties on the condensed combined and consolidated balance sheets. All amounts are paid or received throughout the year within 30 days after the end of each month.

Legacy Hyperfine and Liminal entered into Technology and Services Exchange Agreements (each, a “TSEA” and collectively, the “TSEA”) with other participant companies controlled by the Rothbergs. A TSEA by and among Butterfly Network, Inc., AI Therapeutics, Inc., Quantum-Si Incorporated, 4Bionics, Tesseract Health, Inc., Detect, Inc. (f/k/a Homodeus Inc.), Legacy Hyperfine and Liminal was signed in November 2020; a TSEA by and among Quantum-Si Incorporated, AI Therapeutics, Inc., 4Bionics, Tesseract Health, Inc., Detect, Inc., Legacy Hyperfine and Liminal was signed in February 2021 (and which Protein Evolution, Inc. joined in August 2021); and a TSEA by and among Legacy Hyperfine, Liminal, AI Therapeutics, Inc., Tesseract Health, Inc. and Detect, Inc. was signed in July 2021 and became effective upon the Closing. Under the TSEA, Legacy Hyperfine, Liminal and other participant companies may, in their discretion, permit the use of non-core technologies, which include any technologies, information or equipment owned or otherwise controlled by the participant company that are not specifically related to the core business area of the participant, such as software, hardware, electronics, fabrication and supplier information, vendor lists and contractor lists, by other participant companies. As of March 31, 2022 and December 31, 2021, the Company had transactions with other participant companies and had expenses of \$147 and \$11, respectively, included in Accounts payable.

## **12. COMMITMENTS AND CONTINGENCIES**

### *Commitments*

The Company sponsors a 401(k) defined contribution plan covering all eligible U.S. employees. Contributions to the 401(k) plan are discretionary. The Company did not make any matching contributions to the 401(k) plan for the three months ended March 31, 2022 and 2021.

During 2020, the Company was awarded a \$1,610 grant from the Bill & Melinda Gates Foundation (“BMGF”) for the provision and equipping of 20 sites with the Company’s portable point-of-care MRI system to enable the performance of a multi-site study focused on optimizing diagnostic image quality (the “Project”). During 2021, the Company was awarded an additional \$3,300 grant from the BMGF, of which \$2,500 was received for the provision and equipping of 5 sites and other related deliverables. In early May, 2022, the amount of \$450 was received and the remainder of \$350 is expected to be received in the second half of 2022. The funds are accounted for as restricted cash with an offset to deferred grant revenue. At March 31, 2022 and December 31, 2021, the Company has \$1,983 and \$2,662, respectively, of restricted cash on the condensed combined and consolidated balance sheets. Any grant funds, plus any income, that have not been used for, or committed to, the Project must be returned promptly to the BMGF upon expiration of or termination of the agreement. As of March 31, 2022 and December 31, 2021, there were no grant fund amounts that were required to be returned under the terms of the Project.

### *Contingencies*

The Company does not have any outstanding or ongoing litigation and legal matters where, based on present information, including its assessment of the merits of the particular claims, the Company believes it is reasonably possible that any asserted or unasserted legal claims or proceedings, individually or in aggregate, will have a material adverse effect on its results of operations or financial condition. The ultimate outcome of any legal matter cannot be predicted with certainty.

The Company has indemnification obligations under some agreements that the Company enters into with other parties in the ordinary course of business, including business partners, investors, contractors, and the Company’s officers, directors and certain employees. The Company has agreed to indemnify and defend the indemnified party against claims and related losses suffered or incurred by the indemnified party from actual or threatened third-party claims because of the Company’s activities or non-compliance with certain representations and warranties made by

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the Company. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the unique facts and circumstances involved in any particular case. That Company has not recorded any liability under such indemnification provisions within our condensed combined and consolidated balance sheets. We are not aware of any claims or other circumstances that would give rise to material payments from us under such indemnification provisions.

The Company agreed to pay \$1,000 to a third party service provider if the Companies' pre-closing equity holders receive any Earn-Out Shares. As the Company has not met the criteria to trigger the earn-out, such payment is not determined to be probable and no liability was recognized within our condensed combined and consolidated balance sheets. See Note 9. Net Loss Per Share, for further information regarding the earn-out criteria.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of our condensed combined and consolidated results of operations and financial condition. The discussion should be read in conjunction with the unaudited condensed combined and consolidated financial statements and notes thereto contained in this Quarterly Report on Form 10-Q and the combined and consolidated financial statements and notes thereto for the year ended December 31, 2021 contained in our Annual Report on Form 10-K filed with the SEC on March 25, 2022. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the “Risk Factors” sections of our Annual Report on Form 10-K for the year ended December 31, 2021, and of this Quarterly Report on Form 10-Q. Actual results may differ materially from those contained in any forward-looking statements. Unless the context otherwise requires, references to “we”, “us”, “our”, and “the Company” are intended to mean the business and operations of Hyperfine, Inc. and its consolidated subsidiaries. The unaudited condensed combined and consolidated financial statements for the three months ended March 31, 2022 and 2021, respectively, present the financial position and results of operations of Hyperfine, Inc. and its wholly owned subsidiaries.*

### Overview

We are an innovative digital health business with a mission to provide affordable and accessible imaging and monitoring through magnetic resonance imaging (“MRI”) to revolutionize healthcare for people around the world. Our Swoop® Portable Magnetic Resonance (“MR”) Imaging System™ (“Swoop”) produces high-quality images at a lower magnetic field strength than conventional MRI systems, and can be used by healthcare professionals to make effective clinical diagnoses on a patient in a variety of settings where MRI devices have previously been inaccessible. The easy-to-use interface and portable design of our Swoop system make it accessible for use anywhere in a hospital, clinic or patient care site. We are working to realize our vision of providing affordable and accessible imaging of health conditions around the world.

MRI is a medical imaging technique used in radiology to image the anatomy and the physiological processes of the human body. It is typically used in a variety of clinical settings for medical diagnosis, staging of disease and follow-up treatment. Unlike X-ray computed tomography (“CT”) or positron emission tomography (“PET”), MRI does not expose patients to harmful ionizing radiation. We believe MRI offers the most sensitive and objective measures of brain tissue and injury. Despite its advantages, many healthcare institutions throughout the world lack the facilities, qualified operators and capital necessary to acquire and maintain expensive MRI devices. The Swoop system is intended for use at the patient’s bedside in any hospital room or clinical setting, such as a physician’s office or a local urgent care facility. The demand for MRI has been augmented by the aging population and rising prevalence of cancer and cardiovascular, neurological and orthopedic conditions. Healthcare professionals and insurers are recognizing imaging as a cost-effective and non-invasive diagnostic tool for evaluation and ongoing monitoring. Swoop is a next generation of these devices designed to drive costs down and expand the current \$15.9 billion imaging market.

We believe the adoption of the Swoop system by healthcare professionals has benefits across healthcare communities in both high and low resource settings. Through our collaborations with the healthcare community, we have begun to optimize Hyperfine’s software ecosystem to harness Artificial Intelligence (“AI”) to transform the system into a true bedside clinical decision support platform. These efforts seek to improve image quality, help users analyze images, and reduce time to diagnosis. Our technology allows us to provide decision support and immediate feedback for diagnostic insight for clinicians of all levels of expertise. In the future, we hope to develop an ecosystem of products, expanding the capabilities of our core MRI product platform while introducing a brain sensing platform to offer a more complete solution and increase access to life saving technology across the care continuum.

Legacy Hyperfine received 510(k) clearance from the U.S. Food and Drug Administration (“FDA”) in 2020 for its Swoop Portable MR Imaging System, which is commercially available in the United States. In 2021, we obtained a Medical Device License issued by Health Canada and expanded into the Canadian market. We also received regulatory authorization in New Zealand and Pakistan. During the three months ended March 31, 2022, we continue to seek the necessary regulatory authorizations in other major markets, including the United Kingdom, Australia and other countries. We are building our direct commercial infrastructure in the United States and also have plans to sell our products in other countries either through direct sales or through distributors.



## COVID-19

In March 2020, the World Health Organization declared the global outbreak of COVID-19 to be a pandemic. We continue to closely monitor the recent developments surrounding the continued spread and potential resurgence of COVID-19. The COVID-19 pandemic has had, and is expected to continue to have, an adverse impact on our operations, particularly as a result of preventive and precautionary measures that we, other businesses, and governments are taking.

COVID-19 created multiple commercial challenges in 2020 and 2021 and has continued to do so in 2022. We expect to see restrictions on our salesforce's ability to visit sites to continue during 2022. Commercially, many hospitals and other healthcare providers decreased spending and limited physical access to facilities, slowing our ability to demonstrate our Swoop device. In addition, many hospitals and other healthcare providers continue to focus their attention on addressing COVID-19, which we believe has resulted in lower sales volume. Trade shows and conferences moved to a virtual platform creating difficulty in demonstrating our device to key stakeholders. We moved to create a product demonstration roadshow using demonstration trucks, but were not able to scale due to truck shortages. It was not uncommon to host virtual product demonstrations with 6-10 physicians, something that would ordinarily not happen or would take many weeks of planning to produce. With physician society conferences offline and slowing our commercial launch, we used the concept of "Demo at Your Door" — providing target customers hands-on device experience at a place of their choosing. Virtual demonstrations, even though they generated a lot of interest in our product, often did not result in sales, and all sales required an in-person product demonstration. As more conferences begin to be held in-person, we expect to improve our ability to provide product demonstrations to potential customers. It is unclear whether or not conferences will have the same in-person attendance as they would have had in the past.

Because the manufacturing of our Swoop system was developed, and our commercial launch of our Swoop system occurred, during the COVID-19 pandemic market and manufacturing conditions, we did not have to materially adjust our existing resource allocation or our factors of production because of the COVID-19 pandemic. However, if there are further waves of the COVID-19 pandemic driven by variants like Delta, Omicron or otherwise, we may experience a greater negative impact in our supply chain than we have previously.

During the COVID-19 pandemic and the variants that followed, our suppliers agreed to shift new work to domestic suppliers to help reduce the risk of manufacturing delays. Our supplier and sub tier suppliers have been adversely affected by COVID-19. Although we work closely with our suppliers to attempt to ensure continuity of supply, the supply of certain components and raw materials used in our product has been and may continue to be slowed as a direct result of COVID-19 and its variants. We have also experienced increases in product costs as raw materials have been constrained. Prices have risen sharply over the past year, and lead times have extended dramatically, particularly on semiconductor products. Over the next 12 months, we expect prices to increase due to the raw material demand surges across numerous industries, along with labor and transportation related constraints. We also expect lead times to reduce as component production levels recover to meet demand. We helped to minimize the impact of the COVID-19 pandemic on the manufacturing of our product and operations by using our manufacturer's preferred suppliers, increasing communications with suppliers and freight carriers, and providing advanced forecasts and purchase orders for new and existing devices.

In addition, future regulatory authorizations by the FDA or other regulatory authorities may take longer because of COVID-19 pandemic-related delays, though we have not been impacted by such delays to date.

Please refer to the section titled, "Item 1A. Risk Factors" included in our Annual Report on Form 10-K filed with the SEC on March 25, 2022 for more information. We are unable to predict the full impact that the COVID-19 pandemic will have on our future results of operations, liquidity and financial condition due to numerous uncertainties, including the duration of the pandemic and actions that may be taken by government authorities across the United States. We will continue to monitor the performance of our business and reassess the impacts of COVID-19.

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### Key Performance Metrics

We review the key performance measures discussed below to evaluate the business and measure performance, identify trends, formulate plans and make strategic decisions.

#### *Installed Base*

The Swoop total installed base consists of three components, discussed in further detail below: Commercial system installations (which make up total revenue), grant fulfillment installations, and research unit installations. The Swoop total installed base (or total installed units) is the number of Swoop devices deployed to hospitals, other healthcare providers, and research institutions. We view the total installed base as a key metric of the growth of our business and is measured from period over period.

Presented below is a breakout of total Swoop systems installed as of the three months ended March 31, 2022 and 2021:

	TOTAL INSTALLED UNITS	
	As of March 31, 2022	As of March 31, 2021
Commercial systems installations	38	9
Grant fulfillment installations	20	2
	58	11
Research units	27	17
<b>Total Installed Units</b>	<b>85</b>	<b>28</b>

*Commercial system installations* reflect device sales and subscription services through commercial agreements (commercial sales) or through research transfer agreements (“RTA”) sales. Commercial sales are made to hospitals and other healthcare providers as direct sales of devices and software subscription services or through subscriptions for the use of the device and software. RTA sales represent the sale of Swoop units for research use purposes. Our revenue for the three months ended March 31, 2022 and 2021 is derived from commercial sales and RTA sales.

*Grant fulfillment installations* consist of shipments of Swoop units to hospitals and other clinical facilities designated by the Bill & Melinda Gates Foundation (“BMGF”). The corresponding funding for these installations from BMGF is recorded as a reduction in the research and development expenses when realized during the period.

*Research units* represent installed units, at no cost to the institutions, to expand clinical use cases. The installation of research units is recorded as a fixed asset with the related depreciation recorded as R&D expense over the life of the research unit.

### Factors Affecting Results of Operations

The following factors have been important to our business and we expect them to impact our results of operations and financial condition in future periods:

#### *Strategic partnerships and accelerated international expansion*

We believe that market expansion is a key to our continued growth and the success of our device. In line with our vision to democratize healthcare imaging by providing affordable and accessible imaging of health conditions around the world, we are building an international sales strategy that includes direct sales to customers and sales through distribution partners in target regions. In 2021, we obtained a Medical Device License issued by Health Canada and expanded into the Canadian market. We also received regulatory authorization in New Zealand and Pakistan. During the three months ended March 31, 2022, we are continuing our plans for international commercial expansion into other countries in which we are planning to commercialize our Swoop system including, subject to the regulatory authorization, the United Kingdom and Australia. Through the BMGF partnership, we are deploying Swoop systems in these target areas for research and clinical settings. We expect the utilization of our Swoop

systems as part of this program will allow us to begin building relationships across key stakeholders in these countries or regions to better understand and meet required regulatory hurdles in anticipation of filing for regulatory authorization and ultimately expand into clinical use with patients. In addition, we are considering commercial expansion into several of the larger EU countries following our initial international commercial expansion. We believe these countries have the market size, regulatory environment, commercial access, and mature healthcare systems necessary, subject to regulatory authorization, for a successful launch of our Swoop system. We believe our partnership with the BMGF demonstrates our commitment to the vision of providing affordable and accessible imaging that enables earlier detection and remote management of health conditions around the world. Through our engagement with nonprofit organizations, we aim to deploy the Swoop system to low-middle resource settings without readily-accessible MRI technology. During 2020, we were awarded a \$1.6 million grant from the BMGF for the provision and equipping of 20 sites with the Hyperfine portable point-of-care MRI system to enable the performance of a multi-site study focused on optimizing diagnostic image quality (the “Project”). During the third quarter of 2021, we were awarded an additional \$3.3 million grant, of which \$2.5 million was received from the BMGF in September 2021. In early May, 2022, the amount of \$0.5 million was received and the remainder is expected to be received in the second half of 2022. Both of the grants are designed to support the deployment of a total of 25 Swoop devices and other services to investigators, which commenced in the spring of 2021, and are expected to fund the program for approximately two years. At March 31, 2022, 20 Swoop system units were provisioned and delivered to BMGF. These grants are designed to provide data to validate the use of our Swoop system in measuring the impact of maternal anemia, malnutrition, infection and birth related injury.

### ***Technical innovation***

We have developed our device through extensive research and development activities. Our Swoop system is designed to make the customer experience as easy as possible through our integrated, easy-to-use interface that portrays images on a tablet, smartphone or other WiFi capable device. In addition to this design, our team is focused on customer success programs that help integrate the Swoop system into any hospital or clinic workflow. We believe that as the Swoop system becomes integrated into ICUs and sites across medical practices, we will gain more insights into our product’s usability and potentially develop automated analysis of images that we believe will lead to further efficiencies in patient diagnosis. We plan to continue developing our technology to expand into new imaging applications to enable us to reach the broader care continuum through diagnosis and treatment. In the future, we plan to introduce a further enhanced MRI system designed to conduct neuroimaging and imaging of other extremities for interventional procedures. In addition to our efforts to disrupt the MRI market, we see a significant opportunity to help patients in the neuromonitoring space. Although we expect these activities in technical innovation of the current device and new devices will increase our research and development expenses, we expect it to positively impact our results of operations and profitability in the future.

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### Results of Operations

The following is a discussion of our results of operations for the three months ended March 31, 2022 and 2021. Our accounting policies are described under “*Summary of Significant Accounting Policies*” in Note 2 to our condensed combined and consolidated financial statements included in this report.

(\$ Amounts in thousands)	Three Months Ended March 31,		Change
	2022	2021%	
<b>Sales</b>			
Device	\$ 1,192	\$ 169	605.3%
Service	317	162	95.7%
Total sales	\$ 1,509	\$ 331	355.9%
<b>Cost of Sales</b>			
Device	\$ 1,037	\$ 548	89.2%
Service	388	60	546.7%
Cost of sales	\$ 1,425	\$ 608	134.4%
<b>Gross margin</b>	<b>84</b>	<b>(277)</b>	NM
<b>Operating expenses:</b>			
Research and development	\$ 8,334	\$ 4,474	86.3%
General and administrative	11,360	1,858	511.4%
Sales and marketing	4,161	1,196	247.9%
<b>Total operating expenses</b>	<b>23,855</b>	<b>7,528</b>	216.9%
<b>Loss from operations</b>	<b>\$ (23,771)</b>	<b>\$ (7,805)</b>	204.6%
Interest income	\$ 1	\$ 5	(80.0)%
Other expense, net	(5)	6	(183.3)%
<b>Loss before provision for income taxes</b>	<b>\$ (23,775)</b>	<b>\$ (7,794)</b>	205.0%
Provision for income taxes	—	—	
<b>Net loss and comprehensive loss</b>	<b>\$ (23,775)</b>	<b>\$ (7,794)</b>	205.0%

### Comparison of the Three Months Ended March 31, 2022 and 2021 (\$ Amounts in thousands)

#### Sales

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
Device	\$ 1,192	\$ 169	\$ 1,023	605.3%
Service	317	162	155	95.7%
Total sales	\$ 1,509	\$ 331	\$ 1,178	355.9%

Total sales increased by \$1.2 million, or 355.9%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Device sales increased by \$1.0 million, or 605.3%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven by an increase in the volume of device sales. In the first quarter of 2022, we have taken a pricing action by increasing the price of the device while lowering the price of the annual subscription. In addition, revenue is now typically recognized for sales of hardware devices where control of the product transfers to the customer upon shipment of goods. This pricing action resulted in higher device revenue per unit and lower service revenue per unit for sales under the subscription plus ownership model.

Service sales increased by \$0.2 million, or 95.7%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven by an increase in the volume of devices installed as generally all commercial systems installations generate service revenue. Service sales revenue is generally recognized over time as we are providing the customer with ongoing access to our resources throughout the subscription period. This type of revenue is recurring in nature and we expect will continue to grow as more devices are sold.

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### Cost of sales

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
Device	\$ 1,037	\$ 548	\$ 489	89.2%
Service	388	60	328	546.7%
Total cost of sales	<u>\$ 1,425</u>	<u>\$ 608</u>	<u>\$ 817</u>	134.4%

Total cost of sales increased by \$0.8 million, or 134.4%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Cost of device sales increased by \$0.5 million, or 89.2%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven primarily by third party manufacturing costs as a result of increased volume of products sold. The increase is comprised of a \$0.3 million increase in product hardware costs and \$0.2 million increase in labor cost as a result of an increase in the volume of products sold.

Cost of service sales increased by \$0.3 million, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven primarily by an increase of \$0.3 million in internal overheads and labor costs.

### Research and development

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
Research and development	\$ 8,334	\$ 4,474	\$ 3,860	86.3%

Research and development expenses increased by \$3.9 million, or 86.3%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven primarily by an increase in personnel related costs of \$3.5 million as a result of increased headcount, an increase in stock-based compensation expense of \$0.6 million due to stock option and restricted stock unit awards being granted and achieved in connection with the closing of the Business Combination, an increase in professional services of \$0.3 million and an increase in depreciation and other facilities expenses of \$0.3 million, partially offset by a decrease in non-recurring engineering cost of \$0.8 million.

### General and administrative

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
General and administrative	\$ 11,360	\$ 1,858	\$ 9,502	511.4%

General and administrative expenses increased by \$9.5 million, or 511.4%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven primarily by an increase in personnel related costs of \$3.2 million as a result of increased headcount, an increase in stock-based compensation expense of \$3.2 million due to stock option and restricted stock unit awards being granted and achieved in connection with the closing of the Business Combination, an increase in professional services of \$1.2 million, an increase in insurance cost of \$0.8 million, an increase of \$0.5 million of technology related costs, an increase in legal costs of \$0.3 million and an increase in travel expense of \$0.1 million.

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### Sales and marketing

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
Sales and marketing	\$ 4,161	\$ 1,196	\$ 2,965	247.9%

Sales and marketing expenses increased by \$3.0 million, or 247.9%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was driven primarily by an increase in personnel related expenses of \$1.9 million due to increased headcount, an increase in stock-based compensation expense of \$0.1 million due to stock option and restricted stock unit awards being granted and achieved in connection with the closing of the Business Combination, an increase in product advertising and marketing expenses of \$0.6 million, an increase in travel expense of \$0.2 million and an increase in professional and other outside services of \$0.1 million.

### Interest income

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
Interest income	\$ 1	\$ 5	\$ (4)	(80.0)%

Interest income decreased by less than \$4 thousand for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The slight decrease was driven primarily by lower money market balances and lower interest rate during the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

### Other income (expense), net

	Three Months Ended March 31,		Change	
	2022	2021	Amount	%
Other income (expense), net	\$ (5)	\$ 6	\$ (11)	(183.3)%

Other income (expense), net had an unfavorable decrease in other income by \$11 thousand for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This unfavorable decrease in other income was driven primarily by realized gains on foreign currencies.

### Liquidity and Capital Resources

We have funded our operations primarily with proceeds from the issuance of common and preferred stock. We have incurred significant cash burn and recurring net losses, which includes a net loss of \$23.8 million for the three months ended March 31, 2022, and an accumulated deficit of \$160.1 million as of March 31, 2022. In addition, on December 22, 2021, we completed the Business Combination with HealthCor, and as a result we received gross proceeds of approximately \$162.1 million and net proceeds of approximately \$141.5 million. As of March 31, 2022, we had cash and cash equivalents of \$161.6 million. As we continue to invest in research and development of our products and sales and marketing, we expect to continue to incur a significant cash burn and recurring net losses for the foreseeable future until such time that our product and services sales generate enough gross profit to cover our operating expenses. However, we can provide no assurance that our product and service sales will generate a net profit in the future or that our cash resources will be sufficient to continue our commercialization and development activities.

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We expect to continue to incur net losses as we continue to invest in research and development and sales and marketing of our products. Our ability to access capital when needed is not assured and, if capital is not available when, and in the amounts needed, we could be required to delay, scale back or abandon some or all of our development programs, commercialization of our products, and other operations which could materially harm our operations, financial condition and operating results. We expect that our existing cash and cash equivalents, together with proceeds from the sales of our products and services, will enable us to conduct our planned operations for at least the next 12 months. We expect we will require an accelerated amount of spending to enhance the sales and marketing teams, continue to drive development of our products, and build inventory. Other factors that could accelerate cash needs include: (i) delays in achieving scientific and technical milestones; (ii) unforeseen capital expenditures and fabrication costs related to manufacturing; (iii) changes we may make in our business or commercialization and hiring strategy; (iv) the impact of the COVID-19 pandemic; (v) costs of running a public company; and (vi) other items affecting our forecasted level of expenditures and use of cash resources including potential acquisitions.

We expect to use our funds to further invest in the development of our products and services, commercial expansion, and for working capital and general corporate purposes.

Our future cash requirements will depend on many factors, including market acceptance of our products, the cost and timing of establishing additional sales, marketing and distribution capabilities; the cost of our research and development activities; our ability to enter into and maintain collaborations; the cost and timing of potential future regulatory clearances or approvals for our products; and the effect of competing technological and market developments. We cannot assure you that we will be able to obtain additional funds on acceptable terms, or at all. If we raise additional funds by issuing equity or equity-linked securities, our stockholders may experience dilution. Future debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or equity financing that we raise may contain terms that are not favorable to us or our stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish some rights to our technologies or our products, or grant licenses on terms that are not favorable to us. If we do not have or are not able to obtain sufficient funds, we may have to delay development or commercialization of our products. We also may have to reduce marketing, customer support or other resources devoted to our products or cease operations.

### **Cash**

As of March 31, 2022, we had cash and cash equivalents of \$161.6 million. Our future capital requirements may vary from those currently planned and will depend on various factors including further development costs, commercialization strategy, international expansion, and regulatory costs. If we need additional funds and are unable to obtain funding on a timely basis, we may need to curtail significantly our product development and commercialization efforts to provide sufficient funds to continue our operations, which could adversely affect our business prospects.

### **Cash flows**

The following table summarizes our cash flows for the periods indicated:

(In thousands)	Three Months Ended March 31,	
	2022	2021
Net cash used in operating activities	\$ (27,289)	\$ (7,486)
Net cash used in investing activities	(308)	(170)
Net cash provided by financing activities	—	31,210
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<b>\$ (27,597)</b>	<b>\$ 23,554</b>

#### *Net cash used in operating activities*

For the three months ended March 31, 2022, net cash used in operating activities of \$27.3 million was due primarily to a net loss of \$23.8 million and changes in operating assets and liabilities of \$7.9 million, partially offset by non-cash items of \$4.4 million. Non-cash items were primarily stock-based compensation expense of \$4.1 million and depreciation and amortization expense of \$0.3 million. Changes in operating assets and liabilities were driven primarily by an increase in accounts receivable and unbilled receivables of \$1.8 million, an increase in prepaid expenses and other current assets of \$1.8 million, a decrease in due to related parties of \$1.9 million, a decrease in accrued expense and other current liabilities of \$1.5 million, a decrease in deferred grant funding of \$0.7 million and an increase in inventory of \$0.2 million.

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For the three months ended March 31, 2021, net cash used in operating activities of \$7.5 million was due primarily to a net loss of \$7.8 million and changes in operating assets and liabilities of \$0.1 million, offset by non-cash items of \$0.4 million. Non-cash items were primarily stock-based compensation expense of \$0.3 million. Changes in operating assets and liabilities were driven primarily by an increase in inventory of \$0.7 million and an increase in accounts receivable of \$0.5 million, partially offset by a decrease in due from related parties of \$0.9 million.

### *Net cash used for investing activities*

For the three months ended March 31, 2022, net cash used in investing activities of \$0.3 million was from fixed assets purchased.

For the three months ended March 31, 2021, net cash used in investing activities of \$0.2 million was from fixed assets purchased.

### *Net cash provided by financing activities*

For the three months ended March 31, 2022, no activities were recorded in financing activities.

For the three months ended March 31, 2021, net cash provided by financing activities of \$31.2 million was primarily due to proceeds from issuance of Series D convertible preferred stock of \$30.5 million and investment from 4Bionics, LLC of \$0.7 million.

### **Contractual obligations**

We sponsor a 401(k) defined contribution plan covering all eligible U.S. employees. Contributions to the 401(k) plan are discretionary. We did not make any matching contributions to the 401(k) plan for the three months ended March 31, 2022 and 2021.

In April 2020, we received a \$1.6 million grant from the BMGF for the provision and equipping of 20 sites with our portable point-of-care MRI system to enable the performance of a multi-site study focused on optimizing diagnostic image quality. During the third quarter of 2021, we were awarded an additional \$3.3 million grant, of which \$2.5 million was received from the BMGF in September 2021. Refer to Note 12 in the notes to our condensed combined and consolidated financial statements for the three months ended March 31, 2022 and 2021 included elsewhere in this Quarterly Report on Form 10-Q for a discussion of the BMGF grant. Any grant funds, plus any income, that have not been used for, or committed to, the Project must be returned promptly to BMGF upon expiration of or termination of the agreement. Both of the grants are designed to support the deployment of a total of 25 Swoop devices and other services to investigators, which commenced in the spring of 2021, and is expected to fund the program for approximately two years. At March 31, 2022, 20 Swoop system units and 10 baby cradles were provisioned and delivered to BMGF. These grants are designed to provide data to validate the use of our Swoop system in measuring the impact of maternal anemia, malnutrition, infection and birth related injury.

We had no other significant contractual obligations as of March 31, 2022.

For information on contingencies, refer to Note 12 in the notes to our condensed combined and consolidated financial statements for three months ended March 31, 2022 and 2021 included elsewhere in this Quarterly Report on Form 10-Q.



### **Critical Accounting Policies and Significant Judgments and Estimates**

Our management’s discussion and analysis of our financial condition and results of operations is based on our condensed combined and consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these condensed combined and consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed combined and consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about items that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except as described in Note 2 “Summary of Significant Accounting Policies – Recent Accounting Pronouncements”, to our condensed combined and consolidated financial statements included in this Quarterly Report on Form 10-Q, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 25, 2022.

### **Recently Issued Accounting Pronouncements**

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our condensed combined and consolidated financial statements and notes thereto for the three months ended March 31, 2022 and 2021 included elsewhere in this Quarterly Report on Form 10-Q.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risk in the ordinary course of business. Market risk represents the risk of loss that may impact our results of operations or financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates. We do not hold, issue or enter into any financial instruments for speculative or trading purposes. We do not have significant exposure to foreign currencies.

#### ***Interest Rate Risk***

Our cash equivalents as of March 31, 2022 consisted of \$41.4 million in money market funds. Such interest-earning instruments carry a degree of interest rate risk. The goals of our investment policy are liquidity and capital preservation. We believe that we do not have any material exposure to changes in the fair value of these assets as a result of changes in interest rates due to the short-term nature of our cash equivalents. We do not believe that a hypothetical 10% change in interest rates would have a material effect on our cash flows or operating results.

### **Item 4. Controls and Procedures**

#### ***Evaluation of Disclosure Controls and Procedures***

Our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2022. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2022, solely due to the material weaknesses in our internal control over financial reporting discussed below, our disclosure controls and procedures were not effective at the reasonable assurance level to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

#### ***Material Weaknesses in Internal Control Over Financial Reporting***

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021, we have identified two material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

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As previously disclosed, prior to the Closing of the Business Combination in December 2021, Legacy Hyperfine and Liminal were private companies and had limited accounting and financial reporting personnel and other resources with which to address its internal controls and procedures. We outsourced our accounting and financial reporting to 4Catalyzer Corporation (“4Catalyzer”) and did not have our own finance function to appropriately perform the supervision and review of the information received from 4Catalyzer and assess its reasonableness and accuracy. As a result, in connection with the combined financial statement close process of Legacy Hyperfine and Liminal for the years ended December 31, 2020 and 2019, we identified a material weakness in our internal control over financial reporting.

In addition, as previously disclosed, HealthCor previously recorded a portion of its Class A ordinary shares subject to possible redemption in permanent equity. Notwithstanding the presence of maximum redemption thresholds or charter provisions common in SPACs that provide a limitation on redemptions that would cause a SPAC’s net tangible assets to be less than \$5,000,001, in accordance with SEC Staff guidance on redeemable equity instruments, ASC 480-10-S99, “Distinguishing Liabilities from Equity”, and EITF Topic D-98, “Classification and Measurement of Redeemable Securities”, and, according to SEC Staff communications with certain independent auditors, redemption provisions not solely within the control of the issuing company require ordinary shares subject to redemption to be classified outside of permanent equity. Although we did not specify a maximum redemption threshold in HealthCor’s Amended and Restated Memorandum and Articles of Association (the “HealthCor Articles”), the HealthCor Articles provided that we could not redeem our public shares in an amount that would cause our net tangible assets to be less than \$5,000,001. In light of the SEC Staff communications with certain independent auditors, our management re-evaluated the effectiveness of our disclosure controls and procedures, and based upon that evaluation, we concluded that the misclassification of the Class A ordinary shares was quantitatively material to individual line items within the balance sheet. This resulted in a restatement of the initial carrying value of the Class A ordinary shares subject to possible redemption, with the offset recorded to additional paid-in capital (to the extent available), accumulated deficit and ordinary shares. We concluded that the foregoing represents a material weakness in our internal controls over financial reporting.

Notwithstanding these material weaknesses, management has concluded that our unaudited condensed combined and consolidated financial statements included in this Quarterly Report on Form 10-Q are fairly stated in all material respects in accordance with U.S. GAAP for each of the periods presented therein.

### ***Plan for Remediation of the Material Weaknesses in Internal Control Over Financial Reporting***

In response to these material weaknesses, our management has expended, and will continue to expend, a substantial amount of effort and resources for the remediation of material weaknesses in internal control over financial reporting. Our management developed and started to execute a remediation plan, which included the hiring of accounting and finance resources including the Chief Financial Officer and Vice President, Controller with technical public company accounting and financial reporting experience, as well as other team members. We also have access to accounting training, literature, research materials and increased communication among our personnel and outsourced third-party professionals with whom we may consult regarding the application of complex accounting transactions. Our remediation plan can only be accomplished over time and will be continually reviewed to determine that we are achieving our objectives. There is no assurance that these initiatives will ultimately have the intended effects. The material weaknesses will not be considered remediated until our management designs and implements effective controls that operate for a sufficient period of time and our management has concluded through testing that these controls are effective.

### ***Changes in Internal Control Over Financial Reporting***

Other than the changes made to remediate the material weakness described above, there were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II — OTHER INFORMATION**

**Item 1. Legal Proceedings**

We are not currently a party to any material legal proceedings.

**Item 1A. Risk Factors**

Our business, results of operations and financial condition are subject to various risks and uncertainties including the risk factors described under the caption “Risk Factors” in our most recent Annual Report on Form 10-K, filed with the SEC on March 25, 2022 (the “2021 Annual Report on Form 10-K”). There have been no material changes to the risk factors described in the 2021 Annual Report on Form 10-K.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

*Unregistered Sales of Equity Securities*

Not applicable.

*Issuer Purchases of Equity Securities*

We did not repurchase any of our equity securities during the three months ended March 31, 2022.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

Not applicable.

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### Item 6. Exhibits

See Exhibit Index.

### EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Filed Herewith</u>	<u>Incorporated by Reference herein from Form or Schedule</u>	<u>Filing Date</u>	<u>SEC File/Reg. Number</u>
10.1	Amended and Restated Registration Rights Agreement, dated as of December 22, 2021, by and among Hyperfine, Inc. (formerly HealthCor Catalio Acquisition Corp.), HC Sponsor LLC and certain other security holders	X			
10.2+	<a href="#">Form of Restricted Stock Unit Agreement under 2021 Equity Incentive Plan</a>		Form S-8 (Exhibit 99.3)	3/28/2022	333-263897
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32*	Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101.INS	Inline XBRL Instance Document—The instance document does not appear in the Interactive Data File because its Inline XBRL tags are embedded within the Inline XBRL document.	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X			
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	X			

+ Management contract or compensatory plan or arrangement.

\* The certifications attached as Exhibit 32 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Hyperfine, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**HYPERFINE, INC.**

Date: May 12, 2022

By: /s/ Dave Scott  
Dave Scott  
President and Chief Executive Officer

Date: May 12, 2022

By: /s/ Alok Gupta  
Alok Gupta  
Chief Financial Officer

## AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”), dated as of December 22, 2021, is made and entered into by and among HealthCor Catalio Acquisition Corp., a Cayman Islands exempted company (the “**Company**”), and HC Sponsor LLC, a Cayman Islands limited liability company (the “**Sponsor**”), the undersigned parties listed under Sponsor Group Holders on the signature page(s) hereto (each such party, a “**Sponsor Group Holder**” and, collectively, the “**Sponsor Group Holders**”) and the undersigned parties listed under Hyperfine Holders on the signature page(s) hereto (each such party, a “**Hyperfine Holder**” and, collectively, the “**Hyperfine Holders**”). The Sponsor Group Holders, the Hyperfine Holders and any person or entity who hereafter becomes a party to this Agreement pursuant to [Section 5.2](#) of this Agreement, are each referred to herein as a “**Holder**” and collectively as the “**Holder**s.”

### RECITALS

**WHEREAS**, the Company has entered into that certain Business Combination Agreement (the “**Business Combination Agreement**”), dated as of July 7, 2021, by and among the Company, Optimus Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, Optimus Merger Sub II, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, Liminal Sciences, Inc., a Delaware corporation, and Hyperfine, Inc., a Delaware corporation;

**WHEREAS**, pursuant to the transactions contemplated by the Business Combination Agreement and subject to the terms and conditions set forth therein, among other things, the Company will be domesticated as a Delaware corporation (the “**Domestication**”) and the Hyperfine Holders will receive an aggregate of 3,055,094 shares of Class A common stock, \$0.0001 par value per share (“**Common Stock**”) and an aggregate of 15,055,288 shares of Class B common stock, \$0.0001 par value per share (“**Class B Common Stock**”), of the Company (the “**Hyperfine Shares**”), upon the closing of such transactions (the “**Closing**”);

**WHEREAS**, the Sponsor Group Holders hold an aggregate of 5,175,000 shares of the Company’s Class B ordinary shares, par value \$0.0001 per share (the “**HealthCor Class B Ordinary Shares**”), which shares of HealthCor Class B Ordinary Shares will first automatically convert into an aggregate of 5,175,000 shares of Class B Common Stock in connection with the Domestication and then into 5,175,000 shares of Common Stock at the Closing (the “**Founder Shares**”);

**WHEREAS**, the Company and the Sponsor are party to that certain Private Placement Shares Purchase Agreement, dated January 26, 2021, pursuant to which the Sponsor purchased 614,000 shares of the Company’s Class A ordinary shares, par value \$0.0001 per share (the “**HealthCor Class A Ordinary Shares**”), in a private placement transaction occurring simultaneously with the closing of the Company’s initial public offering and the exercise of the over-allotment option in connection therewith, which HealthCor Class A Ordinary Shares will automatically convert into 614,000 shares of Common Stock (the “**Private Placement Shares**”) in connection with the Domestication;

**WHEREAS**, the Sponsor or an affiliate of the Sponsor or any of the Company’s officers or directors may, but are not obligated to, loan the Company funds for certain purposes, of which up to \$1,500,000 of such loans may be convertible into an additional 150,000 Private Placement Shares (the “**Working Capital Shares**”);

**WHEREAS**, the Company has entered into separate Subscription Agreements (the “**Subscription Agreements**”) with the subscribers identified therein, including investors affiliated with one or more of the Sponsor Group Holders (the “**PIPE Investors**”), pursuant to which (i) the PIPE Investors will purchase an aggregate of 12,610,000 shares of Common Stock (the “**PIPE Shares**”), in a private placement transaction that will close substantially concurrently with and immediately prior to the Closing and (ii) the PIPE Investors were granted certain registration rights with respect to the PIPE Shares;

**WHEREAS**, the Company and the Sponsor Group Holders are party to that certain Registration and Shareholder Rights Agreement dated January 26, 2021 (the “**Existing Registration Rights Agreement**”), pursuant to which the Sponsor Group Holders were granted certain registration and other rights with respect to the Company securities then held by the Sponsor Group Holders;

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**WHEREAS**, pursuant to Section 6.8 of the Existing Registration Rights Agreement, the provisions, covenants and conditions set forth therein may be amended or modified upon the written consent of the Company and the Sponsor Group Holders holding a majority-in-interest of the “Registrable Securities” (as such term was defined in the Existing Registration Rights Agreement) at the time in question; and

**WHEREAS**, the Company and all of the Sponsor Group Holders desire to amend and restate the Existing Registration Rights Agreement in order to provide the Sponsor Group Holders and the Hyperfine Holders certain registration rights with respect to certain securities of the Company, as set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the representations, covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### **ARTICLE I**

#### **DEFINITIONS**

1.1 **Definitions.** The terms defined in this Article I shall, for all purposes of this Agreement, have the respective meanings set forth below:

“**Adverse Disclosure**” shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the principal executive officer of the Company, after consultation with counsel to the Company, (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any Prospectus and any preliminary Prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the Registration Statement were not being filed, and (iii) the Company has a bona fide business purpose for not making such information public.

“**Affiliate**” means, (i) with respect to any specified Person that is not a natural person, (a) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person, and (b) any corporation, trust, limited liability company, general or limited partnership or other entity advised or managed by, or under common control or management with, such Person (for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise) and (ii) with respect to any natural person, (x) a parent, spouse (but not including a former spouse or a spouse from whom such Person is legally separated) or child (including those adopted) of such individual, and (y) each trustee, solely in his or her capacity as trustee, for a trust naming only one or more of the Persons listed in sub-clause (x) as beneficiaries.

“**Agreement**” shall have the meaning given in the Preamble.

“**Board**” shall mean the Board of Directors of the Company.

“**Business Combination Agreement**” shall have the meaning given in the Recitals hereto.

“**Class B Common Stock**” shall have the meaning given in the Recitals hereto.

“**Commission**” shall mean the U.S. Securities and Exchange Commission.

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“**Common Stock**” shall have the meaning given in the Recitals hereto.

“**Company**” shall have the meaning given in the Preamble.

“**Company Shelf Takedown Notice**” shall have the meaning given in subsection 2.1.3.

“**Demand Registration**” shall have the meaning given in subsection 2.2.1.

“**Demanding Holder**” shall have the meaning given in subsection 2.2.1.

“**Effectiveness Deadline**” shall have the meaning given in subsection 2.1.1.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

“**Existing Registration Rights Agreement**” shall have the meaning given in the Recitals hereto.

“**Form S-1**” shall have the meaning given in subsection 2.1.1.

“**Form S-3**” shall have the meaning given in subsection 2.1.2.

“**Founder Shares**” shall have the meaning given in the Recitals hereto.

“**Founder Shares Lock-up Period**” shall mean, with respect to the Founder Shares, the Private Placement Shares, and any Working Capital Shares, the period ending on the earlier of (A) one year after the Closing and (B) subsequent to the Closing, (x) if the last reported sale price of the Common Stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30 consecutive trading days commencing at least 180 days after the Closing, or (y) the date on which the Company completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the Company’s public stockholders having the right to exchange their shares of Common Stock for cash, securities or other property.

“**Holder**” shall have the meaning given in the Preamble.

“**Hyperfine Holders**” shall have the meaning given in the Preamble.

“**Hyperfine Shares**” shall have the meaning given in the Recitals hereto.

“**Hyperfine Shares Lock-up Period**” shall mean, with respect to the Hyperfine Shares, the period ending on the earlier of (A) 180 days after the Closing and (B) subsequent to the Closing, (x) if the last reported sale price of the Common Stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30 consecutive trading days after the Closing or (y) the date on which the Company completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the Company’s public stockholders having the right to exchange their shares of Common Stock for cash, securities or other property.

“**HealthCor Class B Ordinary Shares**” shall have the meaning given in the Recitals hereto.

“**Insider Letter**” shall mean that certain letter agreement, dated as of January 26, 2021, by and among the Company, the Sponsor and each of the Company’s officers and directors.

“**Lock-up Periods**” shall mean the Founder Shares Lock-up Period and the Hyperfine Shares Lock-up Period.

“**Maximum Number of Securities**” shall have the meaning given in subsection 2.2.4.



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“**Misstatement**” shall mean an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement or Prospectus or necessary to make the statements in a Registration Statement or Prospectus (in the case of any Prospectus, in the light of the circumstances under which they were made) not misleading.

“**Permitted Transferees**” shall mean (i) a person or entity to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities prior to the expiration of the Founder Shares Lock-up Period or (ii) with respect to any Hyperfine Holder, any Affiliate of such Hyperfine Holder.

“**Person**” means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

“**Piggyback Registration**” shall have the meaning given in [subsection 2.3.1](#).

“**PIPE Investor**” shall have the meaning given in the Recitals hereto.

“**PIPE Shares**” shall have the meaning given in the Recitals hereto.

“**Private Placement Shares**” shall have the meaning given in the Recitals hereto.

“**Prospectus**” shall mean the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all material incorporated by reference in such prospectus.

“**Purchaser**” shall have the meaning given in the Recitals hereto.

“**Registrable Security**” shall mean (a) the Founder Shares, (b) the Hyperfine Shares, (c) the Private Placement Shares, (d) any Working Capital Shares, (e) any outstanding share of the Common Stock or any other equity security or equity-linked security (including the shares of the Common Stock issued or issuable upon the exercise or conversion of any other equity security or equity-linked security) of the Company held by a Holder as of immediately following the Closing, (f) any other equity security of the Company issued or issuable with respect to any such share of the Common Stock or Class B Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (A) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (B) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (C) such securities shall have ceased to be outstanding; (D) such securities have been sold in compliance with Rule 144 promulgated under the Securities Act, or after the date that is three years from the date hereof, such securities may be sold without volume or manner of sale restrictions pursuant to Rule 144 promulgated under the Securities Act; or (E) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

“**Registration**” shall mean a registration effected by preparing and filing a registration statement or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such registration statement becoming effective.

“**Registration Expenses**” shall mean the out-of-pocket expenses of a Registration, including, without limitation, the following:

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(A) all registration and filing fees (including fees with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc.) and any securities exchange on which the Common Stock is then listed;

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters in connection with blue sky qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses;

(D) reasonable fees and disbursements of counsel for the Company;

(E) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration; and

(F) reasonable fees and expenses of one (1) legal counsel selected by the majority-in-interest of the Demanding Holders initiating a Demand Registration to be registered for offer and sale in the applicable Registration.

“**Registration Statement**” shall mean any registration statement that covers the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement.

“**Requesting Holder**” shall have the meaning given in subsection 2.2.1.

“**Restricted Securities**” shall have the meaning given in subsection 3.7.1.

“**Rule 415**” shall have the meaning given in subsection 2.1.1.

“**Securities Act**” shall mean the Securities Act of 1933, as amended from time to time.

“**Shelf Takedown Notice**” shall have the meaning given in subsection 2.1.3.

“**Shelf Underwritten Offering**” shall have the meaning given in subsection 2.1.3.

“**Sponsor**” shall have the meaning given in the Recitals hereto.

“**Sponsor Group Holders**” shall have the meaning given in the Preamble.

“**Subscription Agreements**” shall have the meaning given in the Recitals hereto.

“**Underwriter**” shall mean a securities dealer who purchases any Registrable Securities as principal in an Underwritten Offering and not as part of such dealer’s market-making activities.

“**Underwritten Registration**” or “**Underwritten Offering**” shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

“**Working Capital Shares**” shall have the meaning given in the Recitals hereto.

**ARTICLE II**  
**REGISTRATIONS**

**2.1 Shelf Registration.**

2.1.1 **Initial Registration.** The Company shall use its commercially reasonable efforts to file a Registration Statement under the Securities Act promptly, but in any event within forty-five (45) days following the Closing, to permit the public resale of all the Registrable Securities held by the Holders from time to time as permitted by Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) (“**Rule 415**”) on the terms and conditions specified in this **subsection 2.1.1** and shall use its commercially reasonable efforts to cause such Registration Statement to be declared effective as soon as practicable after the filing thereof, but in no event later than forty-five (45) days following the filing deadline (the “**Effectiveness Deadline**”); provided, that the Effectiveness Deadline shall be extended to sixty (60) days after the filing deadline if the Registration Statement is reviewed by, and receives comments from, the Commission. The Registration Statement filed with the Commission pursuant to this **subsection 2.1.1** shall be a shelf registration statement on Form S-1 (a “**Form S-1**”) or such other form of registration statement as is then available to effect a registration for resale of such Registrable Securities, covering such Registrable Securities, and shall contain a Prospectus in such form as to permit any Holder to sell such Registrable Securities pursuant to Rule 415 at any time beginning on the effective date for such Registration Statement. A Registration Statement filed pursuant to this **subsection 2.1.1** shall provide for the resale pursuant to any method or combination of methods legally available to, and requested by, the Holders. The Company shall use its commercially reasonable efforts to cause a Registration Statement filed pursuant to this **subsection 2.1.1** to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Registration Statement is available or, if not available, that another Registration Statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities. As soon as practicable following the effective date of a Registration Statement filed pursuant to this **subsection 2.1.1**, but in any event within two (2) business days of such date, the Company shall notify the Holders of the effectiveness of such Registration Statement. When effective, a Registration Statement filed pursuant to this **subsection 2.1.1** (including the documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain a Misstatement.

2.1.2 **Form S-3.** The Company shall use its commercially reasonable efforts to file a shelf registration statement on Form S-3 (“**Form S-3**”) as soon as practicable after the Company is eligible to use Form S-3.

2.1.3 **Shelf Takedown.** At any time and from time to time following the effectiveness of the shelf registration statement required by **subsection 2.1.1** or **2.1.2**, any Holder(s) may request to sell all or a portion of their Registrable Securities in an Underwritten Offering that is registered pursuant to such shelf registration statement (a “**Shelf Underwritten Offering**”) provided that such Holder(s) (a) reasonably expect aggregate gross proceeds in excess of \$25,000,000 from such Shelf Underwritten Offering or (b) reasonably expect to sell all of the Registrable Securities held by such Holder in such Shelf Underwritten Offering but in no event for less than \$5,000,000 in gross proceeds. All requests for a Shelf Underwritten Offering shall be made by giving written notice to the Company (the “**Shelf Takedown Notice**”). Each Shelf Takedown Notice shall specify the approximate number of Registrable Securities proposed to be sold in the Shelf Underwritten Offering and the expected price range (net of underwriting discounts and commissions) of such Shelf Underwritten Offering. Within five (5) business days after receipt of any Shelf Takedown Notice, the Company shall give written notice of such requested Shelf Underwritten Offering to all other Holders of Registrable Securities (the “**Company Shelf Takedown Notice**”) and, subject to reductions consistent with the pro rata calculations in **subsection 2.2.4**, shall include in such Shelf Underwritten Offering all Registrable Securities with respect to which the Company has received written requests for inclusion therein, within five (5) days after sending the Company Shelf Takedown Notice. The Company shall enter into an underwriting agreement in a form as is customary in Underwritten Offerings of securities by the Company with the managing Underwriter or Underwriters selected by the initiating Holder(s) after consultation with the Company and shall take all such other reasonable actions as are requested by the managing Underwriter or Underwriters in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any Shelf Underwritten Offering contemplated by this **subsection 2.1.3**, subject to **Section 3.4** and **Article IV**, the underwriting agreement into which each Holder and the Company shall enter shall contain such representations, covenants, indemnities and other rights

and obligations of the Company and the selling stockholders as are customary in Underwritten Offerings of securities by the Company. Under no circumstances shall the Company be obligated to effect more than (i) one Shelf Underwritten Offering pursuant to this [subsection 2.1.3](#) at the request of one or more Sponsor Group Holders or (ii) an aggregate of three (3) Shelf Underwritten Offerings pursuant to this [subsection 2.1.3](#) with respect to any or all Registrable Securities.

## 2.2 [Demand Registration](#).

2.2.1 [Request for Registration](#). Subject to the provisions of [subsection 2.2.4](#) hereof and provided that the Company does not have an effective Registration Statement pursuant to [subsection 2.1](#) outstanding covering the Registrable Securities, the Holders of at least a majority-in-interest of the then outstanding number of Registrable Securities held by the Hyperfine Holders or the Sponsor Group Holders (the “**Demanding Holders**”), in each case, may make a written demand for Registration of all or part of their Registrable Securities, which written demand shall describe the amount and type of securities to be included in such Registration and the intended method(s) of distribution thereof (such written demand a “**Demand Registration**”). The Company shall, within ten (10) days of the Company’s receipt of the Demand Registration, notify, in writing, all other Holders of Registrable Securities of such demand, and each Holder of Registrable Securities who thereafter wishes to include all or a portion of such Holder’s Registrable Securities in a Registration pursuant to a Demand Registration (each such Holder that includes all or a portion of such Holder’s Registrable Securities in such Registration, a “**Requesting Holder**”) shall so notify the Company, in writing, within five (5) days after the receipt by the Holder of the notice from the Company. Upon receipt by the Company of any such written notification from a Requesting Holder(s) to the Company, such Requesting Holder(s) shall be entitled to have their Registrable Securities included in a Registration pursuant to a Demand Registration and the Company shall effect, as soon thereafter as practicable, the Registration of all Registrable Securities requested by the Demanding Holders and Requesting Holders pursuant to such Demand Registration, including by filing a Registration Statement relating thereto as soon as practicable, but not more than forty-five (45) days immediately after the Company’s receipt of the Demand Registration. Under no circumstances shall the Company be obligated to effect more than (i) one Demand Registration under this [subsection 2.2.1](#) at the request of one or more Sponsor Group Holders or (ii) an aggregate of three (3) Registrations pursuant to a Demand Registration under this [subsection 2.2.1](#) with respect to any or all Registrable Securities; provided, however, that a Registration pursuant to a Demand Registration shall not be counted for such purposes unless a Registration Statement with respect to such Demand Registration has become effective and all of the Registrable Securities requested by the Requesting Holders and the Demanding Holders to be registered on behalf of the Requesting Holders and the Demanding Holders on such Registration Statement have been sold, in accordance with [Section 3.1](#) of this Agreement.

2.2.2 [Effective Registration](#). Notwithstanding the provisions of [subsection 2.2.1](#) above or any other part of this Agreement, a Registration pursuant to a Demand Registration shall not count as a Registration unless and until (i) the Registration Statement filed with the Commission with respect to a Registration pursuant to a Demand Registration has been declared effective by the Commission and (ii) the Company has complied with all of its material obligations under this Agreement with respect thereto; provided, further, that if, after such Registration Statement has been declared effective, an offering of Registrable Securities in a Registration pursuant to a Demand Registration is subsequently interfered with by any stop order or injunction of the Commission, federal or state court or any other governmental agency, the Registration Statement with respect to such Registration shall be deemed not to have been declared effective, unless and until, (i) such stop order or injunction is removed, rescinded or otherwise terminated, and (ii) a majority-in-interest of the Demanding Holders initiating such Demand Registration thereafter affirmatively elect to continue with such Registration and accordingly notify the Company in writing, but in no event later than five (5) days, of such election; provided, further, that the Company shall not be obligated or required to file another Registration Statement until the Registration Statement that has been previously filed with respect to a Registration pursuant to a Demand Registration becomes effective or is subsequently terminated.

2.2.3 [Underwritten Offering](#). Subject to the provisions of [subsection 2.2.4](#) hereof, if a majority-in-interest of the Demanding Holders so advise the Company as part of their Demand Registration that the offering of the Registrable Securities pursuant to such Demand Registration shall be in the form of an Underwritten Offering, then the right of such Demanding Holder or Requesting Holder (if any) to include its Registrable Securities in such Registration shall be conditioned upon such Holder’s participation in such Underwritten Offering and the inclusion of such Holder’s Registrable Securities in such Underwritten Offering to the extent provided herein. All such Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this [subsection 2.2.3](#) shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the majority-in-interest of the Demanding Holders initiating the Demand Registration, which Underwriter(s) shall be reasonably satisfactory to the Company.

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2.2.4 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Registration pursuant to a Demand Registration, in good faith, advises the Company, the Demanding Holders and the Requesting Holders (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holders (if any) desire to sell, taken together with all other Common Stock or other equity securities that the Company desires to sell and the Common Stock, if any, as to which a Registration has been requested pursuant to separate written contractual piggy-back registration rights held by any other stockholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the “**Maximum Number of Securities**”), then the Company shall include in such Underwritten Offering, as follows: (i) first, the Registrable Securities of the Demanding Holders and the Requesting Holders (if any) (pro rata based on the respective number of Registrable Securities that each Demanding Holder and Requesting Holder (if any) has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Demanding Holders and Requesting Holders have requested be included in such Underwritten Registration) that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the Registrable Securities of Holders (pro rata, based on the respective number of Registrable Securities that each Holder has so requested) exercising their rights to register their Registrable Securities pursuant to subsection 2.3.1 hereof, without exceeding the Maximum Number of Securities; and (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (iv) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i), (ii) and (iii), the Common Stock or other equity securities of other persons or entities that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.2.5 Demand Registration Withdrawal. A majority-in-interest of the Demanding Holders initiating a Demand Registration or a majority-in-interest of the Requesting Holders (if any), pursuant to a Registration under subsection 2.2.1 shall have the right to withdraw from a Registration pursuant to such Demand Registration or a Shelf Underwritten Offering pursuant to subsection 2.1.3 for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Registration at least two (2) business days prior to the effectiveness of the Registration Statement filed with the Commission with respect to the Registration of their Registrable Securities pursuant to such Demand Registration (or in the case of an Underwritten Registration pursuant to subsection 2.1.1 or 2.2.4 at least five (5) business days prior to the time of pricing of the applicable offering). Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Registration pursuant to a Demand Registration prior to its withdrawal under this subsection 2.2.5.

### 2.3 Piggyback Registration

2.3.1 Piggyback Rights. If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of stockholders of the Company (or by the Company and by the stockholders of the Company including, without limitation, pursuant to Sections 2.1 and 2.2 hereof), other than a Registration Statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for a rights offering or an exchange offer or offering of securities solely to the Company’s then existing stockholders, (iii) for an offering of debt that is convertible into equity securities of the Company or (iv) for a dividend reinvestment plan, then the Company shall give written notice of such proposed filing to all of the Holders of Registrable Securities as soon as practicable but not less than ten (10) days before the anticipated filing date of such Registration Statement, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Holders of Registrable Securities the

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opportunity to register the sale of such number of Registrable Securities as such Holders may request in writing within five (5) days after receipt of such written notice (such Registration a “**Piggyback Registration**”). The Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and shall use its commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Holders pursuant to this subsection 2.3.1 to be included in a Piggyback Registration on the same terms and conditions as any similar securities of the Company included in such Registration and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All such Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this subsection 2.3.1 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering by the Company. Holders agree that, except as required by applicable law, the Holders shall treat as confidential any notice or other communication in connection with any Piggyback Registration and shall not disclose or use the information contained in such notice without the prior written consent of the Company until such time as the information contained therein is or becomes public, other than as a result of disclosure by a Holder of Registrable Shares in breach of the terms of this Agreement.

**2.3.2 Reduction of Piggyback Registration.** If the managing Underwriter or Underwriters in an Underwritten Registration that is to be a Piggyback Registration, in good faith, advises the Company and the Holders of Registrable Securities participating in the Piggyback Registration in writing that the dollar amount or number of the Common Stock that the Company desires to sell, taken together with (i) the Common Stock, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant to Section 2.3 hereof, and (iii) the Common Stock, if any, as to which Registration has been requested pursuant to separate written contractual piggy-back registration rights of other stockholders of the Company, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company’s account, the Company shall include in any such Registration (A) first, the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.3.1 hereof, pro rata, based on the respective number of Registrable Securities that each Holder has so requested, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock, if any, as to which Registration has been requested pursuant to written contractual piggy-back registration rights of other stockholders of the Company (pro rata based on the respective number of shares of Common Stock that each such stockholder holds), which can be sold without exceeding the Maximum Number of Securities;

(b) If the Registration is pursuant to a request by persons or entities other than the Holders of Registrable Securities, then the Company shall include in any such Registration (A) first, the Common Stock or other equity securities, if any, of such requesting persons or entities, other than the Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.3.1, pro rata, based on the respective number of Registrable Securities that each Holder has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the Holders have requested to be included in such Underwritten Registration, which can be sold without exceeding the Maximum Number of Securities; (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the Common Stock or other equity securities for the account of other persons or entities that the Company is obligated to register pursuant to separate written contractual arrangements with such persons or entities, which can be sold without exceeding the Maximum Number of Securities.



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2.3.3 Piggyback Registration Withdrawal. Any Holder of Registrable Securities shall have the right to withdraw from a Piggyback Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of his, her or its intention to withdraw from such Piggyback Registration at least two (2) business days prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration (or in the case of an Underwritten Registration pursuant to Rule 415, at least five (5) business days prior to the time of pricing of the applicable offering). The Company (whether on its own good faith determination or as the result of a request for withdrawal by persons pursuant to separate written contractual obligations) may withdraw a Registration Statement filed with the Commission in connection with a Piggyback Registration at any time prior to the effectiveness of such Registration Statement. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this subsection 2.3.3.

2.3.4 Unlimited Piggyback Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.3 hereof shall not be counted as a Registration pursuant to a Demand Registration effected under Section 2.2 hereof.

2.4 Restrictions on Registration Rights. If (A) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred and twenty (120) days after the effective date of, a Company initiated Registration and provided that the Company has delivered written notice to the Holders prior to receipt of a Demand Registration pursuant to subsection 2.2.1 and it continues to actively employ, in good faith, all reasonable efforts to cause the applicable Registration Statement to become effective; (B) the Holders have requested an Underwritten Registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (C) in the good faith judgment of the Board such Registration would be seriously detrimental to the Company and the Board concludes as a result that it is essential to defer the filing of such Registration Statement at such time, then in each case the Company shall furnish to such Holders a certificate signed by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Secretary of the Company stating that in the good faith judgment of the Board it would be seriously detrimental to the Company for such Registration Statement to be filed in the near future and that it is therefore essential to defer the filing of such Registration Statement. In such event, the Company shall have the right to defer such filing for a period of not more than ninety (90) days; provided, however, that the Company shall not defer its obligation in this manner more than once in any 12-month period.

## ARTICLE III

### COMPANY PROCEDURES

3.1 General Procedures. If at any time on or after the Closing, the Company is required to effect the Registration of Registrable Securities, the Company shall use its commercially reasonable efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall, as soon as reasonably practicable:

3.1.1 prepare and file with the Commission as soon as practicable a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective and remain effective until all Registrable Securities covered by such Registration Statement have been sold or otherwise cease to be Registrable Securities;

3.1.2 prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be reasonably requested by a majority-in-interest of the Holders with Registrable Securities registered on such Registration Statement or any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus or otherwise cease to be Registrable Securities;

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3.1.3 prior to filing a Registration Statement or Prospectus in connection with a Demand Registration, or any amendment or supplement thereto (except for supplements containing Exchange Act reports of the Company filed with respect to a Registration Statement or Prospectus for which forward incorporation by reference is unavailable), furnish without charge to the Underwriters, if any, and the Holders of Registrable Securities included in such Registration, and such Holders' legal counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriters and the Holders of Registrable Securities included in such Registration or the legal counsel for any such Holders may request in order to facilitate the disposition of the Registrable Securities owned by such Holders;

3.1.4 prior to any public offering of Registrable Securities, use its best efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as the Holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable the Holders of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify or take any action to which it would be subject to general service of process or taxation in any such jurisdiction where it is not then otherwise so subject;

3.1.5 cause all such Registrable Securities to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

3.1.6 provide a transfer agent and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7 advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8 at least five (5) days prior to the filing of any Registration Statement or Prospectus in connection with a Demand Registration, or any amendment or supplement to such Registration Statement or Prospectus (except for supplements containing Exchange Act reports of the Company filed with respect to a Registration Statement or Prospectus for which forward incorporation by reference is unavailable), furnish a copy thereof to each seller of such Registrable Securities or its counsel;

3.1.9 notify the Holders at any time when a Prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes a Misstatement, and then to correct such Misstatement as set forth in Section 3.5 hereof;

3.1.10 permit a representative of the Holders (such representative to be selected by a majority-in-interest of the Holders with Registrable Securities to be registered on the Registration Statement), the Underwriters, if any, and any attorney or accountant retained by such Holders or Underwriter to participate, at each such person's own expense, in the preparation of the Registration Statement, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with the Registration; provided, however, that such representative or Underwriter enter into a confidentiality agreement, in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information;

3.1.11 obtain a "comfort" letter from the Company's independent registered public accountants in the event of an Underwritten Registration, in customary form and covering such matters of the type customarily covered by "comfort" letters as the managing Underwriter may reasonably request, and reasonably satisfactory to a majority-in-interest of the participating Holders;



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3.1.12 on the date the Registrable Securities are delivered for sale pursuant to such Registration, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the Holders, the placement agent or sales agent, if any, and the Underwriters, if any, covering such legal matters with respect to the Registration in respect of which such opinion is being given as the Holders, placement agent, sales agent, or Underwriter may reasonably request and as are customarily included in such opinions and negative assurance letters, and reasonably satisfactory to a majority-in-interest of the participating Holders;

3.1.13 in the event of any Underwritten Offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing Underwriter of such offering;

3.1.14 make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any successor rule promulgated thereafter by the Commission); provided that the Company will be deemed to have satisfied such requirement to the extent such information is filed on EDGAR or any successor system;

3.1.15 in connection with any Shelf Underwritten Offering pursuant to subsection 2.1.3 or any Underwritten Offering pursuant to subsection 2.2.3, if such Shelf Underwritten Offering or Underwritten Offering involves the sale of Registrable Securities for gross proceeds in excess of \$25,000,000, use its reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriter in such Shelf Underwritten Offering or Underwritten Offering, as the case may be; and

3.1.16 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the Holders, in connection with such Registration.

3.2 Registration Expenses. The Registration Expenses of all Registrations shall be borne by the Company. It is acknowledged by the Holders that the Holders shall bear all incremental selling expenses relating to the sale of Registrable Securities, such as Underwriters' commissions and discounts, brokerage fees, Underwriter marketing costs and, other than as set forth in the definition of "Registration Expenses," all fees and expenses of any legal counsel representing the Holders.

3.3 Holder Information Required for Participation in Registrations. At least ten (10) business days prior to the first anticipated filing date of a Registration Statement, the Company shall use its commercially reasonable efforts to notify each Holder in writing (which may be by email) of the information reasonably necessary about the Holder to include such Holder's Registrable Securities in such Registration Statement. At least three (3) business days prior to the anticipated filing date of any post-effective amendment of a Registration Statement (including pursuant to subsection 2.1.2), the Company shall use its commercially reasonable efforts to notify each Holder of Registrable Securities included in such Registration Statement in writing (which may be by email) of the information reasonably necessary about the Holder to keep such Holder's Registrable Securities in such Registration Statement. Notwithstanding anything else in this Agreement, the Company shall not be obligated to include or keep a Holder's Registrable Securities in a Registration Statement to the extent the Company has not received such information, and received any other reasonably requested agreements or certificates, on or prior to the fifth (5<sup>th</sup>) business day prior to the first anticipated filing date of a Registration Statement or the second (2<sup>nd</sup>) business day prior to the anticipated filing date of any post-effective amendment of a Registration Statement, as applicable.

3.4 Requirements for Participation in Underwritten Offerings. No person may participate in any Underwritten Offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

3.5 Suspension of Sales; Adverse Disclosure. Upon receipt of written notice from the Company that a Registration Statement or Prospectus contains a Misstatement, each of the Holders shall forthwith discontinue disposition of Registrable Securities until such Holder has received copies of a supplemented or amended Prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as practicable after the time of such notice), or until it is advised in writing by the Company that the use of the Prospectus may be resumed. If the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would require the Company to make an Adverse Disclosure or would require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time, but in no event more than forty-five (45) days, determined in good faith by the Company to be necessary for such purpose. In the event the Company exercises its rights under the preceding sentence, the Holders agree to suspend, immediately upon their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities. The Company shall immediately notify the Holders of the expiration of any period during which it exercised its rights under this [Section 3.5](#).

3.6 Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be a reporting company under the Exchange Act, covenants to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Sections 13(a) or 15(d) of the Exchange Act. The Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of the Common Stock held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission), including providing any legal opinions, it being acknowledged by the Holders that the securities of the Company will not be eligible for resale pursuant to Rule 144 promulgated under the Securities Act, until, among other requirements, at least one year has elapsed from the time that the Company has filed current Form 10 information with the Commission reflecting its status as an entity that is not a shell company. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

### 3.7 Lock-up Restrictions.

3.7.1 During the Founder Shares Lock-up Period, none of the Sponsor Group Holders shall, and during the Hyperfine Shares Lock-up Period, none of the Hyperfine Holders shall: offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or distribute any shares of Common Stock or Class B Common Stock that are subject to the applicable Lock-up Period or any securities convertible into, exercisable for, exchangeable for or that represent the right to receive shares of Common Stock or Class B Common Stock that are subject to the applicable Lock-up Period, whether now owned or hereinafter acquired, that is owned directly by such Holder (including securities held as a custodian) or with respect to which such Holder has beneficial ownership within the rules and regulations of the Commission (such securities that are subject to an applicable Lock-up Period, the "**Restricted Securities**"), other than any transfer to a Permitted Transferee. The foregoing restriction is expressly agreed to preclude each Holder, as applicable, from engaging in any hedging or other transaction with respect to Restricted Securities which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Restricted Securities even if such Restricted Securities would be disposed of by someone other than such Holder. Such prohibited hedging or other transactions include any short sale or any purchase, sale or grant of any right (including any put or call option) with respect to any of the Restricted Securities of the applicable Holder, or with respect to any security that includes, relates to, or derives any significant part of its value from such Restricted Securities.

3.7.2 Each Holder hereby represents and warrants that it now has and for the duration of the applicable Lock-up Period, will have good and marketable title to its Restricted Securities, free and clear of all liens, encumbrances, and claims that could impact the ability of such Holder to comply with the foregoing restrictions. Each Holder agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of any Restricted Securities during the applicable Lock-up Period.

## ARTICLE IV

### INDEMNIFICATION AND CONTRIBUTION

#### 4.1 Indemnification.

4.1.1 The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities, its officers and directors and agents and each person who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information or affidavit so furnished in writing to the Company by such Holder expressly for use therein.

4.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and agents and each person who controls the Company (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3 Any person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

4.1.4 The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's or such Holder's indemnification is unavailable for any reason.

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4.1.5 If the indemnification provided under Section 4.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action and the benefits received by such indemnifying party or indemnified party; provided, however, that the liability of any Holder under this subsection 4.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in subsections 4.1.1, 4.1.2 and 4.1.3 above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this subsection 4.1.5 were determined by pro rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this subsection 4.1.5. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this subsection 4.1.5 from any person who was not guilty of such fraudulent misrepresentation.

## ARTICLE V

### MISCELLANEOUS

5.1 Notices. Any notice or communication under this Agreement must be in writing and given by (i) deposit in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (ii) delivery in person or by courier service providing evidence of delivery, or (iii) transmission by hand delivery, electronic mail or facsimile. Each notice or communication that is mailed, delivered, or transmitted in the manner described above shall be deemed sufficiently given, served, sent, and received, in the case of mailed notices, on the third business day following the date on which it is mailed and, in the case of notices delivered by courier service, hand delivery, electronic mail or facsimile, at such time as it is delivered to the addressee (with the delivery receipt or the affidavit of messenger) or at such time as delivery is refused by the addressee upon presentation. Any notice or communication under this Agreement must be addressed to the Company, 530 Old Whitfield Street, Guilford, Connecticut 06437, Attn: Chief Executive Officer, with a copy (which shall not constitute notice) to Michael L. Fantozzi, Esq., Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111, and, if to any Holder, at such Holder's address or other contact information as set forth in the Company's books and records. Any party may change its address for notice at any time and from time to time by written notice to the other parties hereto, and such change of address shall become effective thirty (30) days after delivery of such notice as provided in this Section 5.1.

#### 5.2 Assignment; No Third Party Beneficiaries.

5.2.1 This Agreement and the rights, duties and obligations of the Company and the Holders, as the case may be, hereunder may not be assigned or delegated by the Company or the Holders, as the case may be, in whole or in part, except in connection with a transfer of Registrable Securities by such Holder to a Permitted Transferee but only if such Permitted Transferee agrees to become bound by the terms and restrictions set forth in this Agreement.

5.2.2 Prior to the expiration of the Founder Shares Lock-up Period or Hyperfine Shares Lock-up Period, as the case may be, no Holder may assign or delegate such Holder's rights, duties or obligations under this Agreement, in whole or in part, except in connection with a transfer of Registrable Securities by such Holder to a Permitted Transferee but only if such Permitted Transferee agrees to become bound by the transfer restrictions set forth in this Agreement, including the lock up restrictions applicable to the transferor, or any other applicable agreements between the Company and such Holder.

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5.2.3 This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and its successors and the permitted assigns of the Holders, which shall include Permitted Transferees.

5.2.4 This Agreement shall not confer any rights or benefits on any persons that are not parties hereto, other than as expressly set forth in this Agreement and Section 5.2 hereof.

5.2.5 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment as provided in Section 5.1 hereof and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement). Any transfer or assignment made other than as provided in this Section 5.2 shall be null and void.

5.3 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

5.4 Counterparts. This Agreement may be executed in multiple counterparts (including facsimile or PDF counterparts), each of which shall be deemed an original, and all of which together shall constitute the same instrument, but only one of which need be produced.

5.5 Governing Law; Venue. NOTWITHSTANDING THE PLACE WHERE THIS AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE PARTIES EXPRESSLY AGREE THAT (I) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND NEW YORK CIVIL PRACTICE LAWS AND RULES 327(B), AS APPLIED TO AGREEMENTS AMONG NEW YORK RESIDENTS ENTERED INTO AND TO BE PERFORMED ENTIRELY WITHIN NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS OF SUCH JURISDICTION, AND (II) THE VENUE FOR ANY ACTION TAKEN WITH RESPECT TO THIS AGREEMENT SHALL BE ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY IN THE STATE OF NEW YORK.

5.6 Entire Agreement. This Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written. This Agreement amends and restates the Existing Registration Rights Agreement in its entirety as set forth herein and upon execution of this Agreement, all provisions of, rights granted and covenants made in the Existing Registration Rights Agreement are hereby waived, released and superseded in their entirety and shall have no further force and effect. Upon the execution of this Agreement (i) the lock-up restrictions set forth in paragraph 5 of the Insider Letter shall automatically terminate and be superseded by the lock-up restrictions set forth in Section 3.7 of this Agreement, such that the Founder Shares and Private Placement Shares will be subject to the applicable lock-up restrictions set forth in Section 3.7 of this Agreement and not subject to the lock-up restrictions set forth in paragraph 5 of the Insider Letter and (ii) except as described in the foregoing clause (i), the Insider Letter shall continue to be and shall remain in full force and effect in accordance with its terms.

5.7 Amendments and Modifications. Upon the written consent of the Company and the Holders of at least a majority-in-interest of the Registrable Securities at the time in question (including the Holders of a majority-in-interest of the Founder Shares and the Holders of a majority-in-interest of the Hyperfine Shares), compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects any Holder(s), solely in its capacity as a holder of the shares of capital stock of the Company, in a manner that is materially different from other Holders (in such capacity) shall require the consent of the Holder(s) so affected. No course of dealing between any Holder or the Company and any

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other party hereto or any failure or delay on the part of a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party. Any waiver, amendment or modification effected in accordance with this Section 5.7 shall be binding on all parties hereto, regardless of whether any such party has consented thereto.

5.8 Titles and Headings. Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

5.9 Waivers and Extensions. Any party to this Agreement may waive any right, breach or default which such party has the right to waive, provided that such waiver will not be effective against the waiving party unless it is in writing, is signed by such party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof nor of any other agreement or provision herein contained. No waiver or extension of time for performance of any obligations or acts shall be deemed a waiver or extension of the time for performance of any other obligations or acts.

5.10 Remedies Cumulative. In the event that the Company fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, the Holders may proceed to protect and enforce their respective rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right, or to take any one or more of such actions, without being required to post a bond. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

5.11 Other Registration Rights. The Company represents and warrants that no person, other than the Holders with respect to Registrable Securities, or the PIPE Investors pursuant to the terms of the Subscription Agreements with respect to the PIPE Shares, has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration filed by the Company for the sale of securities for its own account or for the account of any other person. Further, the Company represents and warrants that this Agreement supersedes any other registration rights agreement or agreement with similar terms and conditions (excluding the Subscription Agreements) and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail.

5.12 Term. This Agreement shall terminate upon the earlier of (i) the tenth anniversary of the date of this Agreement or (ii) the date as of which (A) all of the Registrable Securities have been sold pursuant to a Registration Statement (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder) or (B) after the date that is three years from the date hereof, the Holders of all Registrable Securities are permitted to sell the Registrable Securities pursuant to Rule 144 promulgated under the Securities Act without volume or manner of sale restrictions. The provisions of Section 3.6 and Article IV shall survive any termination.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**COMPANY:**

HEALTHCOR CATALIO ACQUISITION CORP.,  
a Cayman Islands exempted company

By: /s/ Christine Clarke

Name: Christine Clarke

Title: Chief Financial Officer

*[Signature Page to Registration Rights Agreement]*

[Table of Contents](#)

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**SPONSOR GROUP HOLDERS:**

HC SPONSOR LLC,  
a Cayman Islands limited liability company

By: HealthCor Sponsor Investments, LLC, its manager

By: HealthCor Group, LLC, its manager

By: /s/ Christine Clarke  
Name: Christine Clarke  
Title: Chief Financial Officer

/s/ Michael Weinstein  
Michael Weinstein

/s/ Christopher Wolfgang  
Christopher Wolfgang

/s/ Taylor Harris  
Taylor Harris

*[Signature Page to Registration Rights Agreement]*



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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

/s/ Jonathan M. Rothberg  
Jonathan M. Rothberg

/s/ Scott Huennekens  
Scott Huennekens

/s/ Ruth Fattori  
Ruth Fattori

/s/ David Scott  
David Scott

/s/ Daguang Wang  
Daguang Wang

/s/ Mark Hughes  
Mark Hughes

/s/ Khan Siddiqui  
Khan Siddiqui

/s/ Neela Paykel  
Neela Paykel

/s/ Dan Wolterman  
Dan Wolterman

/s/ John Dahldorf  
John Dahldorf

/s/ Elizabeth A. Whayland  
Elizabeth A. Whayland

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

Elizabeth A. Whayland and Gregory T. Mulhern, as Joint Tenants With Right of Survivorship

/s/ Elizabeth A. Whayland  
Elizabeth A. Whayland

/s/ Gregory T. Mulhern  
Gregory T. Mulhern

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

4C Holdings I, LLC

By: /s/ Jonathan M. Rothberg

Name: Jonathan M. Rothberg

Title: Manager

*[Signature Page to Registration Rights Agreement]*

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[Table of Contents](#)

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

4C Holdings V, LLC

By: /s/ Jonathan M. Rothberg

Name: Jonathan M. Rothberg

Title: Manager

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS**

23rd Century Capital LLC

By: /s/ Jonathan M. Rothberg

Name: Jonathan M. Rothberg

Title: President

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

2012 JMR Trust Common, LLC

By: /s/ Jonathan M. Rothberg

Name: Jonathan M. Rothberg

Title: Manager

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

YH North America Capital L.P.

By: /s/ HUANG Ting

Name: HUANG Ting

Title: Authorised Signatory of the General Partner

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

Yonghua International I L.P.

By: /s/ YANG Lihua

Name: YANG Lihua

Title: Authorised Signatory of the General Partner

*[Signature Page to Registration Rights Agreement]*



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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

Yonghua International II L.P.

By: /s/ HUANG Ting

Name: HUANG Ting

Title: Authorised Signatory of the General Partner

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

/s/ Bonnie E. Gould Rothberg

\_\_\_\_\_  
Bonnie E. Gould Rothberg MD

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

/s/ Mark Hughes

\_\_\_\_\_

Mark Hughes

*[Signature Page to Registration Rights Agreement]*

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

**HYPERFINE HOLDERS:**

/s/ Alok Gupta  
\_\_\_\_\_

Alok Gupta

/s/ Scott White  
\_\_\_\_\_

Scott White

/s/ Maria Sainz  
\_\_\_\_\_

Maria Sainz

*[Signature Page to Registration Rights Agreement]*

CERTIFICATIONS UNDER SECTION 302

I, Dave Scott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyperfine, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2022

/s/ Dave Scott

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Dave Scott  
President and Chief Executive Officer  
(principal executive officer)

CERTIFICATIONS UNDER SECTION 302

I, Alok Gupta, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyperfine, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2022

/s/ Alok Gupta

Alok Gupta

Chief Financial Officer

(principal financial officer)

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Hyperfine, Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Quarterly Report for the quarter ended March 31, 2022 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 12, 2022

/s/ Dave Scott

Dave Scott  
President and Chief Executive Officer  
(principal executive officer)

Dated: May 12, 2022

/s/ Alok Gupta

Alok Gupta  
Chief Financial Officer  
(principal financial officer)