Annual report 2022
reMarkable Group and Holding AS

Contents

Directors' report

Operations and locations

reMarkable Holding is the parent company in the reMarkable Group (referred to as "reMarkable", "reMarkable Group" or "the Company"), comprising of the subsidiary companies reMarkable AS, reMarkable Invest AS and reMarkable Employee Shareholding I AS. reMarkable AS is the operating entity of the reMarkable Group and is a Norwegian company that develops, markets, and sells consumer electronics products termed 'paper tablets' and associated accessories. The business is located at Biermanns gate 6, 0473 Oslo.

reMarkable's business strategy is to develop and produce electronic devices, as well as a subscription service, for users who prefer the paper experience, as it pertains to reading, writing, and sketching, over other digital devices such as PCs and tablets. The main product is called "reMarkable 2", a device that provides an almost identical writing and reading experience to paper, but with additional features only made possible via technology. The device's functionality is particularly focused on the writing experience, endeavoring to preserve the benefits handwriting has on memory and focus. This ambition is reflected in reMarkable's vision – "Better thinking through technology."

The Company distributes its products in 48 countries, with North America and Europe being the largest markets. The majority of sales originate through reMarkable's own web shop, whereas sales via third parties make up an increasing proportion of revenues as part of the Company's distribution channel strategy. reMarkable's products are widely available through retail stores in the Nordics, premium locations in the United Kingdom and the European Union as well as online retailers in the United States. Production is conducted primarily in China, with distribution from warehouses in Hong Kong, Lithuania and Mexico.

Letter to stakeholders

Looking back on 2022, it has been a challenging year for the consumer electronics industry with a combination of inflationary pressure, weakening consumer confidence, a post-pandemic shift in purchasing patterns and widespread supply chain disruptions.

Navigating this has required us to closely scrutinize our priorities and make some important changes to our business model along the way. As a result, we managed to end the year with year-over-year revenue growth and a robust EBITDA contribution. In my mind this actually makes 2022 our most impressive year to date as we now have developed not only the skill set needed to manage rapid growth but also to handle more difficult periods. Both of these are crucial to succeeding over time and I am immensely proud of how the entire reMarkable organization has responded to the task.

During the fourth quarter, we started to see the effect of measures undertaken during the year and, as a result, recorded one of the best quarters in our history to date. reMarkable is now solidly back on a profitable growth trajectory and working hard to enable our longer-term strategic ambitions. Even though reMarkable holds a unique position in the paper tablet market we recognize that the rapid growth this segment has enjoyed will also bring increased competition. To maintain our leadership we will need to invest in product innovation, brand-building, distribution and scaling the organization so as to be able to deliver on our ambitious goals. We also need to be cognizant of the broader environment that we operate in and ensure that sustainability becomes an integral part of our products and way of working.

As we roll up our sleeves to deliver on this, we are encouraged by our dedicated user base that challenges us to keep making superior products and we promise to stay true to our vision of realizing "Better thinking through technology".

Best,

Magnus Wanberg
Founder & Executive chairman

Leadership transformation

Last year marked an exciting new chapter for reMarkable as it underwent a leadership model transformation. After nearly a decade of guidance as Chairman of the Board and CEO, Magnus Wanberg stepped into a new role as Executive Chairman of the Board to focus on long-term strategic development. This shift allows both the CEO and Chairman roles to receive the attention and capacity needed for the company's continued success. Vegard Veiteberg, our former Chief Commercial Officer, was appointed Interim CEO and the Board has initiated a process towards selecting a new CEO to lead the company towards our vision and ambitions.

Financial Performance

Revenue

Total revenues for 2022 came in at 2,712 mNOK compared to 2,676 mNOK for 2021, resulting in 1.4% revenue growth year-on-year. The revenue for 2022 was strengthened by the full year inclusion of the recurring revenue service offering Connect, however this increase was largely offset by a lower realized unit price of tablet devices. North America was the largest geographical contributor to sales, an area where we saw 14% year-on-year growth.

- Following almost a year of learning and incremental improvements, the Connect value proposition and associated pricing model was revamped in 2022 to put our customers front and center. The extended free trial period launched in July (from 100 days to 1 year) in combination with a lower price point from mid September (monthly price reduced from $7.99 to $2.99) reduced the revenue contribution in Q4. However, these changes triggered a return to growth of device and accessories sales as well as a significant improvement in customer satisfaction
- North America is reMarkable's largest market (increase from 46% of total revenues in 2020 to 59% in 2022) and represents a substantial market opportunity for future growth. During the year reMarkable also entered 8 new geographies - further expanding our market penetration and platform for growth
- The fourth quarter represented one of the best quarters in reMarkable's history with revenues of nearly 1 bnNOK. The changes set out above were important contributors to the strong peak season result and we continue to see the positive effects of this into the new year

Gross profit

Gross profit for 2022 amounted to 1,182 mNOK, which is largely in line with the 1,172 mNOK achieved in 2021 (44% and 44% on a gross margin basis, respectively). The Gross Margin level has remained stable due to a combination of lower peak season discounts and increased contribution from Connect which has offset the effect of a lower unit price of tablet devices, higher cost of input factors and an unfavorable development in currency rates.

EBITDA

EBITDA came in at 112 mNOK for the year, compared to 277 mNOK in 2021. The % year-on-year decrease is in part due to higher marketing costs in 1H 2022 to support the launch of Connect, along with an increase in operational investments for future growth, including support for capital expenditures which also ramped up during the year. More specifically we:

- Increased headcount by 112 FTEs which again increased net salary and personnel cost base (adj. for capitalized R&D) by 122 mNOK
- Increased use of external consultants as a flexible resource to support scaling
- Invested heavily in sales and marketing during 1H 2022 to support the introduction of the Connect subscription offering. Spend levels were reduced to normalized levels during H2 2022 as part of the value proposition changes set out above

Cash flow from investments

Cash flow from investing activities of (209) mNOK in 2022 versus (87) mNOK in 2021, is reflective of reMarkable's continuous efforts to innovate on product offering, and consists primarily of R&D activity.

Financing activities

Net cash flow from financing activities of (56) mNOK in 2022 relates mainly to changes in the utilization of supply chain facility as part of ordinary day-to-day business.

Liquidity

As at year end 2022 reMarkable Group held 395 mNOK in cash and equivalents, along with 162 mNOK in near-cash items (amounts deposited with e-commerce and payment processors). In 2021 cash and equivalents amounted to 637 mNOK and near-cash items were 34 mNOK. The decline in liquidity reflects reMarkable's continued investment in developing our products and capabilities as well as working capital changes during the year.

reMarkable's net cash position was 253 mNOK at year end 2022 (395 mNOK in cash and equivalents less 142 mNOK utilized via the supply chain facility). Last year the comparable position was 429 mNOK (637 mNOK in cash and equivalents less 209 mNOK utilized via the supply chain facility).

Equity

Equity at year-end amounted to 428 mNOK, reflecting an equity ratio of 37%. In 2021, equity came in at 395 mNOK with corresponding equity ratio of 32%.

Financial risk

Input factors

As a consumer electronics company, reMarkable is exposed to the possibility of global shortages of production components. Even though the Covid-19 pandemic transitioned towards an endemic state in 2022, supply chain disruptions continued largely due to mainland China's zero-Covid-19 strategy. The outlook for the short-to-medium term has improved, but sourcing complexities still pose a key risk to the Company. To counter this, reMarkable has a dedicated team that collaborates directly with suppliers throughout our value chain and regularly takes strategic measures to ensure access to critical input factors and priority with suppliers. The latter may on a regular basis require us to maintain a significant inventory of finished goods and critical long-lead components, which increases the Company's working capital needs.

Liquidity risk

reMarkable has sufficient liquidity to meet its commitments as at year end 2022. In addition to our cash balances the Company uses a supply chain facility to settle payments for procured finished inventory, which ensures timely payment of suppliers and helps to actively manage liquidity.

As the Company continues to grow, fixed expenditure also increases. With one primary revenue stream, there is an inherent uncertainty in cash flow from operations which is currently our main source of financing future growth. The recurring revenue contribution from the Connect subscription base partially offsets this but is as of yet at a limited scale. The lead-time on paper tablet production means the Company must place orders before future demand is known, and this exposes the Company to the risk of future demand not aligning with projections. The Company can manage this through a combination of postponing inventory commitments, reducing expenditures and managing working capital and carefully monitoring and projecting its financial position as a central part of our business planning cycle.

Market and credit risk

reMarkable's revenue is affected by standard economic trends and consumer purchase patterns, including seasonality, and periods that typically involve discounted offers. The Company takes this into account when projecting demand and securing supply.

The paper tablet category is experiencing an increasing number of entrants and heightened competition. The Company has anticipated this for some time and sees itself as well positioned to maintain a leading role in this emerging product category. In response to this new competitive environment, reMarkable has initiated many cross-company efforts to both strengthen the value proposition of its products and services and increase its market penetration.

Credit risk

The risk of losses on receivables is considered low, as the customer base is large and diverse and the Company's payment providers are well-established, reputable companies which release funds continuously within 3-7 days after customer purchase. The risk of losses from receivables on web shop orders resides with the payment provider and is reflected in the fees for their services.

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Company assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the retail segment, the Company will make ongoing assessments of the payment terms provided, the credit risk entailed, and any other instruments that can be used to mitigate risk.

Foreign exchange risk

The Company sells in multiple countries, with pricing in local currencies. The largest exposures consist of the U.S. Dollar, followed by the Euro and, to a much lesser extent, the Pound Sterling. The Company's expenditure commitments going forward are generally denominated in Norwegian Krone and U.S. Dollar and changes in the NOK/USD exchange rate have a direct impact on our profitability as a stronger NOK will increase our fixed cost base and vice-versa. reMarkable has short term contracts with retailers and distributors where underlying sales also provide for foreign exchange terms. The exposure is considered immaterial, however, this could increase over time as the Company's retail sales grow.

The Company's direct exposure to interest rate risk is limited as there is no long-term financing. The largest exposure comes from changes in short term interest rates and is linked to the Company's supply chain facility and its usage.

Macroeconomic risks

reMarkable is a Norwegian company with a global footprint, which exposes it to general macroeconomic risks, such as political disagreements, geopolitical tensions, protectionism, global epidemics, and general economic downturns. These risks are difficult to predict and prevent, and must be carefully monitored.

The war in Ukraine and resulting energy crisis in Europe combined with high inflation and monetary policy tightening have reduced economic growth in 2022. As a consequence, there has been a reduction in consumer's disposable income, which in turn has negatively affected the demand for consumer electronics.

Covid-19 has remained an issue throughout 2022 even though the severity has declined. As the pandemic has transitioned towards an endemic state, supply chain disruptions have continued largely due to mainland China's zero-Covid-19 strategy. Despite the complexities associated with Covid-19, reMarkable's production and logistics in China and Hong Kong have largely remained unaffected throughout 2022.

Protectionism and trade restrictions can adversely impact reMarkable's market access, production and sourcing of input factors. By operating with third party Chinese suppliers and producers, the Company is particularly exposed to any trade restrictions or a trade war engaged with or by the United States as the latter represents reMarkable's biggest market. Geopolitical tensions over Taiwan have been elevated in recent years and there is risk of further escalation. reMarkable's assessment is that tariffs, export controls (rare earths and technology), sanctions or trade bans pose the largest risks to the Company if Sino-American relations were to deteriorate further.

Other

The Company has Directors and Officers insurance policy for the members of the board and the general manager for their possible liability towards the Company and third parties. The insurance policy lies in reMarkable Holding and covers all Group entities.

Work environment, equal opportunity and discrimination

The work environment at reMarkable is considered to be good. The company has a Workplace Environment Committee (Nw. AMU), an employee representative, and a safety representative, as well as established routines for safeguarding and protecting the rights and needs of its employees. Practices to make sure the workplace is accessible and inclusive are regularly implemented, communicated, and reviewed. Measures and routines to ensure sound working conditions have been initiated, as well as measures to preserve employee mental health, motivation, and general well-being. Total sick leave in 2022 was 2,77% of total working hours. No workplace injuries or accidents were reported. The company has no known issues of discrimination because of ethnicity, religion, beliefs, disability, sexual orientation, gender identity, or gender expression.

As written in last year's report, 2021 was an important year for reMarkable in terms of working with gender equality. Many new tools and initiatives were implemented, and extensive work was done to formalize our internal structures and job levels, enabling us to provide data on a more detailed level than before. 2022 has in large been a year where these new initiatives and structures have been operational for a longer period of time, and as such, we are able to see if they have had their intended effect. reMarkable aims to have a workplace where there is full equality between women and men and aims to ensure that there is no discrimination based on gender in matters such as pay, advancement, or recruitment. At the end of 2022, the Company consisted of 35% women and 66% men. For more information on this topic, we refer to our report on equality that is published on our career page, remarkable.com/careers. The report details our current gender equality status on a set of parameters, an assessment of potential risks for discrimination or obstacles to equality, as well as a look at what we have done so far and plan to do in the future to improve diversity and equality.

Requirements for acceptable working conditions at suppliers, especially at the factory of the main supplier in China, are emphasized in the negotiation processes and are written down in the manufacturing service agreement. Suppliers shall comply with reMarkable's Supplier Code of Conduct. reMarkable's Supplier Code of Conduct is based on The Responsible Business Alliance (RBA) Code of Conduct which ensures that working conditions and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. The labor standards include freely chosen labor, no use of child labor in any stage of manufacturing, working hours according to local law, compensation paid to workers shall comply with all applicable wage laws, humane treatment of workers and a workplace free of harassment and unlawful discrimination.

reMarkable requires that our suppliers shall treat its employees fairly and legally with regard to wages, benefits, and working conditions, and not employ forced labor, and no employee of shall be compelled to work through force or intimidation of any form. Our suppliers shall not employ children (defined as age 15 or the minimum working age within the applicable jurisdiction, whichever is older) to perform all or part of the Services. Further they shall maintain a safe and hygienic working environment and shall employ occupational health and safety practices that prevent accidents and injury in the course of work or as a result of the operation of its facilities and equipment.

Environmental and community responsibility

reMarkable's efforts on sustainability is increasing

To reMarkable, better thinking involves acknowledging that everything we do impacts the world around us. We strive to maximize our positive footprints while minimizing the negative ones, and one of our strategic long term goals is to "Make a positive impact on the world". For us this means a commitment to actively work towards improving our impact.

We aim to be transparent on how we are impacting societies around us as the impact on key global issues will alter the world we live in - and we aim for that to be a world with room for better thinking.

Improving impact is a marathon, not a sprint. The change we are working to achieve means integrating impact assessments throughout our value chain and working with our business partners to find the right solutions in the long run. Due to this, our impact reporting for 2022 will not be fully complete with metrics, Key Performance Indicators (KPIs), ambitions and targets - but more of a status report on the work that has been done, and some thoughts on where we plan to continue our journey.

Our main impact is through our suppliers - we need to cooperate

We believe the best way to move towards a more sustainable future is through close collaboration with our suppliers. That is why we are working with our individual suppliers to define goals and actions per supplier, and work with continuous follow up with our suppliers. In all RFP processes, the suppliers are evaluated based on their capabilities within sustainability and sustainability commitments are defined as part of our process. We aim to work with suppliers sharing our values and concerns for the future.

Governance

In reMarkable, the Chief Executive Officer (CEO) is ultimately responsible for the company's sustainability ambitions. The implementation of sustainability throughout the company should be led by a dedicated team reporting to the Chief Strategy Officer (CSO). The sustainability team holds responsibility to develop relevant strategies and policies, and implements these together with the organization.

The execution and monitoring of the activities related to sustainability is being conducted by the relevant functions and departments within the organization. We believe that our work with sustainability and responsibility should be built into our business practices, not bolted on.

Strategy

As a basis for the work on the field, the organization has developed a sustainability strategy. This elaborates on the reasoning of why it is essential for reMarkable to ensure sustainable business practices, and have identified two key areas of impact: Circularity and Social impact.

Circularity to reMarkable is about minimizing the impact in the lifetime of products and services. The ultimate goal with circularity is to produce everlasting products and services that can pass through multiple lifecycles, and only use recycled or reused materials. Renewable energy is in our view circular energy, and since the majority of the organization's Greenhouse Gas (GHG) emissions result from energy usage in our supply chain - reMarkable also includes GHG emissions when looking at circularity.

Social Impact is the other key area of impact. To reMarkable, this means the impact we have on the societies around our value chain, foremost upstream where the development of our physical products occurs, but also in our own organization and downstream where our products are being used. An assessment of the social impact in our value chain has indicated that our major impact is likely upstream, and hence we prioritize work with our suppliers from tier^1 to tier^n when it comes to social impact.

Circularity

Circular business models

Re-using products is one of the most efficient methods to reduce the environmental impact of a product. Due to this, reMarkable is focusing on extending the lifetime of our reMarkable 2 device by both conducting refurbishment and repair. Refurbishment would mean that the used device is returned from a customer. The device is then tested according to the same quality requirements as a new device, re-packed and re-sold to another customer.

Some products also require rework before they could be sold as a refurbished device. The device is repaired, and then follows the refurbishment process. Products that are returned within our satisfaction guarantee period or warranty period are eligible for repair and refurbishment, and these are sold in selected geographical markets. Through refurbishment and repair we are able to extend the lifetime of our products.

We maximize the utilization of the product and minimize the environmental footprint throughout the lifetime of the product. Proper recycling of devices that are no longer in use is an important step in ensuring that valuable materials are recovered and recycled for a second use. reMarkable has collaborated with a recycling partner to ensure that end of life returns on our Generation 1 devices are properly handled and recycled.

Product	Number of units
reMarkable 1 (devices) recycled	869
reMarkable 2 (devices) recycled	11 698
reMarkable 2 (devices) refurbished	7 583

Other achievements related to circularity include:

- All packaging is 100% recyclable
- The device battery retains 80% of the total capacity after being charged 500 times

We will continue to work with circularity in 2023. The work will include setting and implementing strategies, and defining KPIs and setting short- and long term targets for these.

Greenhouse Gas Emissions

Greenhouse gas emissions are another key impact the consumer electronics industry has on the world. In recognizing this we have started working to map our GHG emissions. We have done so for both our organization as a whole, but also on our reMarkable 2 device. We have used data from 2021 as a baseline, and collected similar data for 2022. These are the results:

CO_2 accounts[5]

Scope[1]	Description	Emission in tons CO_2 eqv	
		2022	2021
Scope 1	**Scope 1 Total**	**0,0**	**0,0**
	Direct Emissions	0.0	0.0
Scope 2	**Scope 2 total (location)**	**4.9**	**4.0**
	Electricity - market	n/a	n/a
	Electricity - location	1.4	1.8
	Heating - location	3.6	2.2
Scope 3	**Scope 3 total**	**26 432.4**	**32 403.8**
	Purchased goods and services	19 528.8	25 650.3
	Fuel- and energy not included in scopes 1 and 2	2.3	1.9
	Waste generated in operations	6.6	4.9
	Business travels[2]	n/a	1,2
	Employee commuting	13.9	5.7
	Downstream transport[3]	6 387	6 208,2
	Use of sold products	420.1	453.3
	End-of-life treatment of sold products	73.7	78.3
Sum	**All emissions in scopes 1, 2 and 3**	**26 437.3**	**32 407.8**

[1] **Scope 1** are those emissions directly owned or controlled by a company
Scope 2 are those emissions controlled by a company due to energy usage
Scope 3 emissions are a consequence of the activities of the company, but occur in the value chain and is not owned or controlled by the company

We will use the data collected as a baseline and work to reduce our GHG emissions in the coming years. Our aim is to aggressively reduce these emissions - and in 2023 we will quantify short- and long term targets for GHG emission reduction in scopes 2 and 3.

Social Impact

We aim to learn and influence certain specific areas within social impact when working with our suppliers. reMarkable is taking several steps to ensure that human rights and decent working conditions are respected throughout the supply chain, all the way down to raw material sub-suppliers. These are the steps we have been taking in 2022:

1) **Supplier Code of Conduct:** Our Supplier Code of Conduct addresses topics such as labor rights, health and safety, environment and ethical governance. We are working to ensure that all direct tier[1] suppliers[4] will accept and sign the company's Supplier Code of Conduct and agree to work with suppliers tiers^{2-n} to ensure they, at a minimum, follow the same standard. Not accepting the Supplier Code of Conduct would disqualify a supplier in a RFP process.

2) **ESG Due Diligence:** All potential suppliers have to go through an ESG Due Diligence Tool, which identifies any potential risks related to environmental, social or governance aspects. All our current direct tier[1] suppliers are also onboarded on this platform, which allows us to efficiently monitor and collaborate with our suppliers on improvement points.

3) **Transparency Act:** We request information on how our suppliers and business partners work with fundamental human rights and decent working conditions. Our suppliers are also requested to share the same information from their supply chain - all the way to the extraction of raw material. We use that information to conduct risk assessments to identify and mitigate potential and actual negative impact we can have on these important areas. This is extensive work, and we are looking at constantly improving our work in the area, step by step.

Besides the aspects required by Norwegian law, we also assess the risk in our value chain on corruption, political stability, LGBTI rights and gender equality. Findings from our work will be published on reMarkable.com before June 30th 2023 and updated annually.

KPI description	%
Tier[1] direct suppliers signed Supplier Code of Conduct	100
Tier[1] direct suppliers that have completed information related to the Norwegian Transparency Act	100

We will continue to collect relevant data from direct suppliers in tiers^{2-n} and our indirect suppliers in 2023, and to conduct subsequent risk assessments on their social impacts. Based on these risk assessments, we will make a plan on how to reduce the risks of our value chain contributing to violation of fundamental human rights and decent working conditions. During the year we will define KPIs and set short- and long term target for this work.

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[2] The data for business travels in 2022 were not available at the time of issuing this report, we estimate them to be significantly higher than in 2021 due to increased number of business travels, and increased distances of the business travels.

[3] All emissions from downstream transportation in 2021 and 2022 were compensated for by the third party delivering these services to reMarkable.

[4] Tier[1] suppliers refer to those with whom we maintain a direct financial relationship, whereby transactions are conducted directly with them.

[5] The CO2 accounts provide an overview of reMarkable's greenhouse gas (GHG) emissions. The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Going concern

In accordance with the Accounting Act § 3-3a, it is confirmed that the financial statements have been prepared under the assumption of going concern.

Allocation of net income

The net result for the year is taken in its allocated to retained earnings in equity

Oslo, April 20th, 2023

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Income statement reMarkable Group

	Note	2022	2021
Revenue	2	2 565 749 989	2 666 252 568
Other operating revenue	2	146 269 820	9 312 844
Total revenue and income		**2 712 019 809**	**2 675 565 412**
Cost of goods sold		(1 530 171 670)	(1 503 564 617)
Salary and personnel costs	3, 4	(312 601 862)	(190 492 135)
Depreciations and amortizations	6	(50 480 274)	(37 378 599)
Other operating expenses	3, 7, 8	(757 064 906)	(704 088 245)
Total operating expenses		**(2 650 318 713)**	**(2 435 523 596)**
Result of operations		**61 701 096**	**240 041 816**
Interest income	9	2 034 101	30 432
Financial income	9	73 088 411	37 203 353
Total financial income		**75 122 512**	**37 233 785**
Other interest charge	9	(7 874 962)	(3 470 468)
Financial expenses	9	(101 208 826)	(71 699 676)
Total financial expenses		**(109 083 788)**	**(75 170 144)**
Net financial items		**(33 961 275)**	**(37 936 359)**
Result before tax		**27 739 820**	**202 105 457**
Tax cost	10	(5 520 467)	(45 838 169)
Net income		**22 219 353**	**156 267 287**
Net income attributable to Non-controlling interests		264 055	1 605 584
Net income attributable to reMarkable Holding AS		21 955 298	154 661 703
Transfers			
Retained earnings incl non controlling interests	11	22 219 353	156 267 287
Total transfers and allocations		**22 219 353**	**156 267 287**

Balance sheet
reMarkable Group

	Note	2022	2021
Non- current assets			
Intangible assets			
Development	5, 7	246 945 360	117 308 039
Patents and other rights	5	10 211 191	161 548
Deferred tax assets	10	9 657 726	7 498 141
Total intangible assets		**266 814 277**	**124 967 728**
Tangible fixed assets			
Office fittings and machinery	6	32 785 952	18 849 790
Total tangible fixed assets		**32 785 952**	**18 849 790**
Non- current financial assets			
Other receivables	12	53 966 523	4 078 675
Total non- current financial assets		**53 966 523**	**4 078 675**
Total non- current assets		**353 566 751**	**147 896 193**
Current assets			
Inventories	13	206 583 095	311 866 886
Total inventories		**206 583 095**	**311 866 886**
Receivables			
Accounts receivables	14	25 704 006	55 155 885
Other short-term receivables	15	184 153 827	73 443 581
Group receivables		1 413 974	0
Total receivables		**211 271 807**	**128 599 466**
Bank deposits	17	395 029 258	637 278 682
Total bank deposits		**395 029 258**	**637 278 682**
Total current assets		**812 884 160**	**1 077 745 034**
Total assets		**1 166 450 911**	**1 225 641 227**

Balance sheet
reMarkable Group

	Note	2022	2021
Equity			
Paid-in and other capital			
Share capital	11	2 544 196	2 573 523
Treasury shares	11	(1 085)	(30 413)
Share premium reserve	11	163 942 216	163 942 216
Other equity	11	77 132 741	66 175 936
Total paid-in and other capital		**243 618 068**	**232 661 262**
Retained earnings			
Retained earnings	11	180 427 864	158 472 566
Total retained earnings		**180 427 864**	**158 472 566**
Non-controlling interests	11	3 913 352	3 485 380
Total equity		**427 959 284**	**394 619 208**
Liabilities			
Current liabilities			
Interest- bearing short-term debt	17, 18	141 736 367	208 500 445
Accounts payable	22	308 754 408	180 243 451
Tax payable	10	7 680 049	42 651 153
Public duties payable		46 643 841	37 262 015
Advance from customers	20	34 360 491	14 730 930
Other short-term liabilities	16, 21	199 316 471	347 634 025
Total current liabilities		**738 491 627**	**831 022 019**
Total liabilities		**738 491 627**	**831 022 019**
Total equity and liabilities		**1 166 450 911**	**1 225 641 227**

Oslo, April 20th, 2023

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Cash flow statement reMarkable Group

		2022	2021
Cash flow from operating activities			
Gains before tax		27 739 820	202 105 456
Taxation paid		(42 651 153)	2 737 859
Ordinary depreciation		50 480 274	37 378 599
Changes in inventories		105 283 791	(273 903 827)
Changes in accounts receivable		29 451 879	(37 125 965)
Changes in accounts payable		128 510 957	95 248 903
Changes in other receivables and payables		(276 563 810)	229 772 434
Net cash flow from operating activities		**22 251 757**	**250 737 739**
Cash flow from investing activities			
Investments in development		(208 853 400)	(86 509 935)
Net cash flow from investing activities		**(208 853 400)**	**(86 509 935)**
Cash flow from financing activities			
Proceeds from short-term debt	19, 17	(66 764 078)	161 722 267
Proceeds from issue of share capital	11	11 116 297	23 306 047
Net cash flow from financing activities		**(55 647 781)**	**185 028 314**
Net change in cash and cash equivalents		(242 249 424)	349 256 118
Cash and cash equivalents at the period's beginning		637 278 682	288 022 564
Cash and cash equivalents at the period's end		**395 029 258**	**637 278 682**

Notes
reMarkable Group

Note 1 – Accounting principles

These financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Group reports as an "other enterprise". The notes apply to the Group unless otherwise stated.

Basis for consolidation

The group's consolidated financial statements comprise reMarkable Holding AS and companies in which reMarkable Holding AS has a controlling interest. A controlling interest is normally obtained when the group represents more than 50% of the votes in the company and can exercise control over the company. Where subsidiaries in the group include other shareholders, their share of equity and net profit are classified as non- controlling interest in equity. For reMarkable group, this impacts reMarkable Employee Share Holding I AS (RESHI AS) and reMarkable Invest AS, which is owned through other shareholders. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

Revenue recognition

Revenues from the sale of goods are recognized in the income statement once the goods are shipped from our fulfilment center. At this point, the risk is transferred to the carrier or the customer. For items sold with a 30/100-day return policy, the share of revenue expected to be returned is not recognized until return period expires. Estimates are made based on historic data and posted under "Other short-term liabilities". For the goods sold through a third-party retailer the revenue is recognized when the goods are shipped and invoiced to the distributor.

Subscription services such as "Connect" are recognized monthly in accordance with the subscription period.

Foreign currency

Transactions in foreign currency are converted at the exchange rate applicable on the transaction date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period. Balance sheet items in foreign currencies are converted to NOK with exchange rates per reporting date. Differences in balance sheet items due to changes in exchange rates are reflected as financial income (agio) or financial expenses (disagio).
Presentation currency for the group is NOK.

Development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. These costs mainly consist of salaries, consultancy costs and costs from manufacturing related to development of hardware. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over their useful life. If carrying value exceeds the estimated future economic benefit, the asset is written down to reflect the higher of useful life and fair value.

Inventories

Inventories are recognized at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the necessary cost of completion of the goods if they are categorized as Goods-in-process. Goods are consumed in the sequence of which they are purchased. Monthly average exchange rate is used to calculate average cost of goods sold per product. Consequently, under this method, goods purchased recently form a part of the ending inventory. Devices returned from customers under the warranty (replacement), or free return period is sent to manufacturer for refurbishment. Devices that cannot be repaired by manufacturer are scrapped. Provisions for replacements are calculated based on statistical data. Costs associated with refurbishment of devices is expensed once occurred.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% of the temporary differences that exist between book value and tax value, as well as tax loss carry-forwards at the close of the financial year. Deferred tax assets are recorded on the balance sheet when it is likely that the tax assets will be utilized.

Balance sheet classifications

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets/long-term liabilities. Current assets are valued at the lower of cost and fair value. Short-term and long-term liabilities are recognized at nominal value when the liability occurs. Fixed assets are valued at cost, less depreciation and impairment losses.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded on the balance sheet at fair value. Provisions for losses are recognized when there are clear indications of credit losses occur.

Use of estimates

The management applies estimates and assumptions where uncertainties exist. Financial captions including estimates are intangible assets, provisions, and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life-time.

Current liabilities

Current liabilities are recorded on the balance sheet at fair value or amortised cost. Provisions of returns and replacements are based on statistical data.

Cash flow statement

The cash flow statement is presented using the indirect method.

Note 2 – Revenue

By business area	2022	2021
Sales of devices and accessories	2 565 749 988	2 666 252 568
Sale of subscriptions and other revenue	146 269 820	9 312 844
Total	**2 712 019 808**	**2 675 565 412**

Geographical distribution		
North America	1 611 541 653	1 414 853 663
Europe	904 251 011	1 005 239 218
Asia and Oceania	196 227 144	255 472 531
Total	**2 712 019 808**	**2 675 565 412**

Note 3 – Pensions

Within the group, reMarkable AS is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension. The company's pension scheme meets the requirements of that law.

Note 4 – Personnel costs

Salary and personnel costs	2022	2021
Salaries	276 157 788	170 174 619
	(54 317 726)	(22 607 691)
Payroll tax	36 291 244	21 362 869
Pension costs	42 830 621	17 100 862
Other benefits	11 639 935	4 461 477
Total	**312 601 862**	**190 492 135**

Average full-time employees	301	189

Salary to CEO	2022	2021
Salaries	2 950 000	3 342 864
Other benefits	2 047 404	1 203 883
Total	4 997 404	4 546 747

Salaries to CEO above include bonus elements designed to address incentive misalignment through significant personal taxation depending of the taxable valuation of reMarkable AS and reMarkable Holding AS. Agreed salary for 2022 is NOK 2 950 000. The CEO, like other employees, receives a pension of 7% (between 0-7.1G[1]) and 10% (between 7.1G - 12G), in addition to their salary. The board does not receive any compensation. Magnus Wanberg was CEO during 2022, and was replaced by interim CEO, Vegard Veiteberg, as of 01.01.23.

1 The Norwegian public pension base rate 1G as of 01.05.22 amounts to 111 477 NOK per year.

Bonus and share-based payments

The group invites employees of reMarkable AS to invest in the group. The purpose is to give employees the opportunity to participate in the value creation of reMarkable AS. All employees of reMarkable AS and individuals who have signed employment with reMarkable AS are eligible to invest. The employee's investment per round is limited by a share of their annual salary. The shares are purchased with an adjustment to reflect a Fair Market Value because of the restrictions accompanying the shares.

No loans or guarantees have been provided to the CEO, the Chairman of the Board, or other related parties.

Auditor

Auditors' fees are divided into NOK 1 705 000 in statutory audit, NOK 677 454 for additional services and NOK 602 393 for other attestations. VAT not included.

Note 5 – Intangible assets

	Other rights	Software	Patent	Development	Total
Acquisition cost at 01.01.22	0	1 087 910	233 563	175 292 478	176 613 951
Additions	11 057 872	40 728 391	0	130 104 857	181 891 120
Acquisition cost 31.12.22	**11 057 872**	**41 816 301**	**233 563**	**305 397 335**	**358 505 071**
Accumulated amortization at 01.01.22	0	(488 643)	(72 015)	(58 583 705)	(59 144 363)
Accumulated amortization at 31.12.22	(984 872)	(542 309)	(95 372)	(99 725 967)	(101 348 520)
Net carrying value at 31.12.22	**10 073 000**	**41 273 992**	**138 191**	**205 671 368**	**257 156 551**
Amortization for the year	(984 872)	(53 666)	(23 357)	(41 142 261)	(42 204 157)
Amortization plan	**5 years**	**15 years**	**10 years**	**3-5 years**	

Development and Software are presented combined in the balance sheet with a carrying amount of 246 399 759. In addition webshop development carrying amount is 10 073 000.

Development costs are related to significant improvements made on existing products and development of new products, accessories and software. A total of 134,9 mNOK has been capitalized in developing costs for the year. Development consists of several projects with different amortization periods with useful life varies between 3-5 years, with exemption of software that has a useful life of 15 years based on the life span of the software. No write-downs are recognized. Public grants (SkatteFUNN) 4,75 mNOK has reduced capitalised development.

In addition the company has capitalized implementation of a new ERP system of 41 mNOK. The implementation has not been completed and no depreciation has been made per 31.12.2022.

Note 6 – Tangible assets

Property, plant and equipment	Machinery and equipment	Office lease	Total
Acquisition cost at 01.01.22	5 523 663	15 978 633	21 502 296
Additions	22 212 281	0	22 212 281
Acquisition cost 31.12.22	**27 735 944**	**15 978 633**	**43 714 577**
Accumulated deprecitation 01.01.22	(1 329 292)	(1 323 214)	(2 652 506)
Accumulated depreciation 31.12.22	(4 276 168)	(6 652 457)	(10 928 625)
Net carrying value at 31.12.22	**23 459 776**	**9 326 176**	**32 785 952**
Depreciation for the year	(2 946 876)	(5 329 243)	(8 276 119)
Depreciation plan	**3-5 years**	**3 years**	

There was no impairment loss, reversal of impairment or change in depreciation plan for machinery and equipment during the year. Office lease relates to improvements to rented office area at Thorvald Meyers gate in Oslo. The additions are depreciated over current contract period.

Note 7 – Public grants

The company has received approval of two "SkatteFUNN" projects for the period of 2021-2023. For 2022 the sum of the funding for the projects is 4 750 000 NOK. 4 750 000 NOK has reduced capitalised development and will be recognised through reduced depreciations.

Note 8– Rental agreements and leasing

The Group has operational lease agreements. The office lease terms are over five years and can be terminated at the earliest after 3 years. Tenant adjustments are paid down over office rent, and in case of early vacancy it is settled in full. Outstanding tenant adjustments 31.12.2022 was 1.5 mNOK. The lease agreement has no restrictions on the company's dividend policy or financing options. Leasing of furniture and fixtures and IT equipment is over 3 years.

The lease cost consists of:	2022	2021
Office space	19 243 597	14 603 891
Furniture and fixtures and IT equipment	36 365 414	10 886 720
Total	**55 609 011**	**25 490 611**

Overview of future minimum lease:

	Office space					
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total**
Within 1 year	11 103 012					11 103 012
2 to 5 years		60 514 264	54 000 000	54 000 000	54 000 000	222 514 264
After 5 years						
Future minimum lease:	**11 103 012**	**60 514 264**	**54 000 000**	**54 000 000**	**54 000 000**	**233 617 276**

The office lease agreement for Villa Bierman expires in june 2024, and can be terminated in March 2023 at the earliest. The lease agreement for Thorvald Meyers gate expires in August 2024, with a potential option of two years. The lease of furniture and fixtures and IT-equipment is on average due within approximately two years. The company does not have any financial leasing agreements. The increase in lease payments from 2024 is due to a new lease agreement signed in 2022 for office space at Majorstua. The estimated lease payments related to this office space is mNOK 54,0 per year, but the actual lease payment might vary depending upon various factors in the contract.

Note 9 – Financial income and expenses

	2022	**2021**
Financial income		
Interest income	2 034 101	30 432
Financial income (agio)	73 088 410	37 203 353
Other financial income	1 086 238	0
Total financial income	**76 208 750**	**37 233 785**
Financial expenses		
Interest expenses	(7 874 962)	(3 470 468)
Financial expenses (disagio)	(92 679 099)	(71 185 990)
Other financial expenses	(8 529 727)	(513 686)
Total financial expenses	**(109 083 788)**	**(75 170 144)**

Financial income and financial expenses primarily consist of agio/disagio. Balance sheet items in foreign currency were converted to NOK with the exchange rate per 31.12.2022.

Currency fluctuations represent both a direct and an indirect financial risk for the company. To mitigate currency risk, the company has established various bank accounts for currencies that compose large portions of cash flows. Supplier invoices in foreign currencies are largely paid off with the respective accounts, minimizing the need for conversion and providing a natural hedge to currency fluctuations. Furthermore, to avoid unnecessary conversion related to purchase of manufactured goods, the credit for Supply Chain Financing is in USD.

Note 10 – Income taxes

Income tax expense	**2022**	**2021**
Tax base calculation		
Net result before income tax	27 739 820	202 105 457
Permanent differences	(4 496 219)	6 430 045
Change in temporary differences	11 665 712	(3 496 751)
Group tax impact provided group contribution	0	1 756 422
Loss carry-forwards	0	0
Tax base	**34 909 313**	**206 795 172**
Payable tax	7 680 049	45 482 354
Changes in deffered tax	(2 159 585)	362 414
Other changes	0	(6 600)
Tax cost in P&L	**5 520 464**	**45 838 168**
Payable tax on this year's result	7 680 049	45 482 354
Tax on group contribution	0	(2 831 201)
Tax payable	**7 680 049**	**42 651 153**
Calculation of effective tax rate		
Calculated tax on profit before tax with 22%	6 102 760	44 463 200
Tax effect of permanent differences	(582 296)	1 414 610
Other changes	0	(39 642)
Total calculated tax expence	**5 520 464**	**45 838 169**
Effective tax rate	19,9 %	22,7 %

The company is entitled to public grants through «SkatteFUNN» of NOK 4 750 000. The amount will reduce taxes payable correspondingly.

Temporary differences – Deferred tax asset

Deferred tax asset on the balance sheet is allocated based on differences between accounting and tax-related values according to the Norwegian accounting standard for tax. Temporary tax-increasing and tax-reducing differences that can be offset are posted net.

Temporary differences are related to short-term debt and mainly consist of provisions.

Reconciliation of deferred tax	**2022**	**2021**	**Change**
Fixed assets	247 738	(1 978 041)	(2 225 779)
Inventory	(9 128 149)	(568 775)	8 559 374
Accumulated loss	(906 639)	(285 370)	621 269
Short term debt	(34 111 709)	(29 400 861)	4 710 848
Net differences	**(43 898 759)**	**(32 233 047)**	**11 665 712**
Not included in DTA	0	(1 849 415)	(1 849 215)
Deferred tax asset base	**(43 898 759)**	**(34 082 462)**	**9 816 297**
Deferred tax asset based on 22%	(9 657 727)	(7 498 142)	2 159 585

Note 11 – Equity

Specification of Equity	Issued capital	Treasury shares	Share premium	Other equity	Retained earnings	Non-controlling interests	Total
Equity, 01.01.2021	2 573 523	(30 413)	163 942 216	66 175 935	158 472 566	3 485 380	394 619 208
Treasy shares deleted	(29 328)	29 328	0	0	0	0	0
Equity adjustment	0	0	0	10 956 805	0	163 917	11 120 722
Net Income	0	0	0	0	21 955 298	264 055	22 219 353
Equity 31.12.22	**2 544 195**	**(1 085)**	**163 942 216**	**77 132 740**	**180 427 864**	**3 913 352**	**427 959 284**

Other equity is majorities share of capital from a fundraising round for employees and adjustment for carrying amount of reMarkable Holding AS in *reMarkable Employee Share Holding I AS as part of share swap of reMarkable Invest AS shares. See reMarkable Employee Share Holding I AS for additional explanation.

Movements in Non-controlling interests	**2022**
Balance, 01.01.2022	3 485 380
Equity adjustment reMarkable Employee Share Holding I AS	163 917
Profit (loss) allocated to Non-controlling interests	264 055
Non- controlling interests as of 31.12.2022	**3 913 352**

Note 12 – Financial non-current assets

Financial fixed assets consist of 54 mNOK in deposits related office space. 53.3 mNOk relates to new campus, and the rest related to lease agreement for existing office space.

Note 13 – Inventories

	2022	**2021**
Goods-in-process	36 162 079	26 802 201
Finished goods	170 421 016	285 064 685
Total	**206 583 095**	**311 866 886**

Goods are consumed in the sequence of which they are purchased. Monthly average exchange rate is used to calculate average cost of goods sold per product. Consequently, under this method, goods purchased recently form a part of the ending inventory.

Devices that are returned by customer, which is the product with highest value, are sent to the supplier for refurbishment. Goods that are categorized as repairable by supplier are valued at acquisition cost as these goods can be refurbished and sold for more than cost of acquisition and refurbishment. These goods are included in "Finished goods". Cost of refurbishment is expensed as costs when occurred. Returned goods that are deemed as not repairable by manufacturer are scrapped and written down to zero value.

"Goods-in-process" includes mainly components that are in ownership of reMarkable as of 31.12. 22.

Note 14 – Account receivables

Account receivables mainly consist of receivables from retail distributor.

Note 15 – Other short-term receivables

Other short-term receivables mainly consist of public grants from SkatteFUNN and reserves kept by payment gateways for goods sold. The increase in other short-term receivables as compared to 2021 mainly relates to increased use of a new payment gateway. Receivables from sales paid by customers through payment gateways compose of 34 mNOK.

Note 16 – Provisions for liabilities and returns

The company relies on prescriptive consumer legislation regarding defective goods in the various markets in which we operate. In addition, all consumers are offered a 1-year guarantee on regular products sold and 100 day return and 3 year guarantee for those who sign up with Connect (subscription service).

Guarantee commitment is based on sales, estimates and historical replacement rate. Provision for replacements and returns amounts to 34 mNOK.

Note 17 – Bank deposits

	2022	2021
Restricted deposits	22 267 035	17 282 226
Other bank deposits	372 762 225	619 996 456
Total bank deposit	**395 029 258**	**637 278 682**

reMarkable AS has unutilized credit of 10.6 mUSD under the Supply Chain Financing agreement with DNB at year-end. An additional 50 mNOK in credit facilities was available per 31.12.2022.

Note 18 – Share capital and other shareholder information

reMarkable Holding AS has 7 269 130 shares with a nominal value of 0.35 NOK, which gives a total of 2 544 195.5 NOK. reMarkable Holding AS has two classes of shares, Common Shares and Preferred A Shares. Preferred A Shares were introduced in 2019 when Spark Capital, an American venture capital firm, invested 15 mUSD. Spark Capital is the only investor holding these shares.

No difference in voting rights between the share classes is stipulated in the articles of association. In the event of either an exit or liquidation, dissolution or winding up, the Preferred A Shares give rights the common shareholders do not have. In these matters the holders of Preferred Shares are entitled to the highest value of the price they paid per share, plus any dividends declared but unpaid, or the price corresponding to Common Shares. All remaining amounts will be distributed among the Common Shares in proportion to their respective holding of Common Shares in the Company. Further, shareholders with Preferred A Shares have certain rights when it comes to anti-dilution and protective rights related to investor majority consent. These rights are defined in the Shareholders Agreement.

Per 31.12.2022 the CEO and Chairman of the board, Magnus Haug Wanberg via SMHW AS owns 2 327 431 shares. This corresponds to an ownership interest of 32%. For information on salaries and other remuneration to the board and the CEO, see note 4. The company's other board members, Marius Juul Møller via Investisol AS and Kevin Tau via Spark Capital, own 1 083 700 (15 %) and 989 224 (13.5%) shares respectively. Spark Capital has invested through Spark Capital V. LP (13.3% ownership) and Spark Capital Founders' Fund V. LP (0.2% ownership).

Main shareholders of reMarkable Holding AS at 31.12.2022:

Shareholder	Number of Common Shares	Number of Preferred A Shares	Stake
SMHW AS	2 327 431		32.02%
Investisol AS	1 083 700		14.91%
Spark Capital (V.LP and Founders' Fund V.LP)		977 611	13.45%
Setra Holding AS	750 000		10.32%
Founders Fund I AS	389 800		5.36%
Stratel AS	199 000		2.74%
Herding Holding AS	174 800		2.40%
Nous Holding AS	174 800		2.40%
Startuplab AS	128 200		1.76%
Dragev Invest AS	100 300		1,38%
Heidem Holding AS	84 600		1,16%
Total	**5 412 631**	**977 611**	**87.91%**
Others (percent ownership < 1%)	867 275	11 613	12.09%
Total number of shares	**6 279 906**	**989 224**	**100.0%**

Note 19 – Liabilities

	2022	2021
Long term liabilities (more than five years maturity)	**0**	**0**
Secured debts	**0**	**0**
Short term liabilities		
Utilized Supply Chain Financing	141 736 367	208 500 445
Total	**141 736 367**	**208 500 445**
Pledged assets		
Inventories	400 000 000	300 000 000
Accounts receivable	400 000 000	300 000 000
Office equipment	400 000 000	300 000 000
Total	**1 200 000 000**	**900 000 000**

Pledged assets are collateral for 25 mUSD Supply Chain Financing, revolving credit of 50 mNOK and guarantee to landlord for office space of 7 mNOK. The guarantee expires upon termination of the lease agreement, no later than 31.05.2024. In addition, the company has a total of 54 mNOK in deposit for office- and retail space. Lastly, pledged assets also include a 1st priority bank account held at the New York branch office of the lender.

Note 20 – Advance from customers

Prepayments from customers consist of funds from orders made in 2022 that had not yet been fulfilled by 31.12.2022. These orders were fulfilled and booked as revenue in January 2023.

Note 21 – Other short-term liabilities

Other short- term liabilities mainly consist of accrued costs of 96 mNOK at year end, where shipping cost and marketing cost make up the majority. In addition, personnel cost makes up 68 mNOK. Other short- term liabilities also consists of provisions for returns and replacements, see Note 19.

Note 22 – Material authorization

reMarkable AS has a rolling agreement with Kaifa, where reMarkable AS must deliver a volume-based forecast for each product Kaifa produces. The forecast gives an indication of reMarkable's monthly production requirements, including which components are needed to fulfill the requirement. From reMarkable's side, this obligation is handled off-balance sheet, since the agreement has a dynamic structure that is adjusted monthly

Income statement
reMarkable Holding AS

	Note	2022	2021
Other operating expenses	2, 3	(1 195 333)	(1 669 316)
Sum operating expenses		**(1 195 333)**	**(1 669 316)**
Result of operations		**(1 195 333)**	**(1 669 316)**
Income from investment in subsidiary	4, 5	1 179 755	12 869 096
Interest income	4	16	0
Financial income	4	1 101 800	93
Total financial income		**2 281 572**	**12 869 189**
Financial expense		0	0
Total financial expenses		**0**	**0**
Net financial items		**2 281 572**	**12 869 189**
Net result before tax		**1 086 239**	**11 199 873**
Tax on ordinary result	6	0	(2 463 972)
Net income		**1 086 239**	**8 735 901**
Transfers			
Retained earnings	7	0	8 712 501
Other equity	7	1 086 239	
Uncovered losses		0	23 400
Total transfers and allocations		**1 086 239**	**8 735 901**

Balance sheet
reMarkable Holding AS

	Note	2022	2021
Non- current assets			
Intangible assets			
Deferred tax assets		0	0
Total intangible assets		**0**	**0**
Investments in other group companies	8	149 824 923	149 482 458
Total financial fixed assets		**149 824 923**	**149 482 458**
Total non- current assets		**149 824 923**	**149 482 458**
Receivables			
Other short-term receivables		15 657	325 478
Group receivables	5	1 846 014	14 281 048
Total receivables		**1 861 670**	**14 606 526**
Bank deposits	9	24 676 854	11 850 992
Total bank deposits		**24 676 854**	**11 850 992**
Total current assets		**26 538 525**	**26 457 518**
Total assets		**176 363 447**	**175 939 976**

Balance sheet
reMarkable Holding AS

	Note	2022	2021
Equity			
Paid-in capital			
Share capital	7, 10	2 544 196	2 573 523
Treasury shares	7	0	(29 328)
Share premium reserve	7	163 942 216	163 942 216
Other capital	7	0	0
Total paid-in capital		**166 486 412**	**166 486 412**
Retained earnings			
Retained earnings	7	9 798 741	8 712 501
Total retained earnings		**9 798 741**	**8 712 501**
Total equity		**176 285 153**	**175 198 914**
Liabilities			
Current liabilities			
Accounts payable		78 295	270 893
Other short-term liabilities	5	0	470 170
Total current liabilities		**78 295**	**741 063**
Total liabilities		**78 295**	**741 063**
Total equity and liabilities		**176 363 447**	**175 939 976**

Oslo, April 20th, 2023

DocuSigned by:
Magnus Haug Wanberg
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Magnus Haug Wanberg
Executive Chairman

DocuSigned by:
Susanne Lunde
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Board member

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Board member

DocuSigned by:
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Geir Kristian Faller
Board member

DocuSigned by:
Kevin Thau
56625CEE9BDA476...
Kevin Thau
Board member

Cash flow statement
reMarkable Holding AS

	Note	2022	2021
Cash flow from operating activities			
Gains before tax		1 086 239	11 199 873
Changes in accounts payable		(192 598)	537 632
Changes in other receivables		0	869 726
Changes in other accruals		(594 411)	(12 869 096)
Net cash flow from operating activities		**299 230**	**(261 865)**
Cash flow from investment activities			
Payments to buy shares and participations in other companies		(342 465)	0
Net cash flow from financing activities		**(342 465)**	**0**
Cash flow from financing activities			
Proceeds from issue of share capital		0	0
Group contribution		12 869 096	0
Net cash flow from financing activities		**12 869 096**	**0**
Net change in cash and cash equivalents		12 825 861	(261 864)
Cash and cash equivalents at the period’s beginning		11 850 992	12 112 858
Cash and cash equivalents at the period’s end		**24 676 854**	**11 850 994**

Notes
reMarkable Holding AS

Note 1 – Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Group reports as an "other enterprise".

Income tax

The tax expense consists of changes to deferred tax. Deferred tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% of the temporary differences that exist between book value and tax values, as well as tax loss carry-forwards at the close of the financial year. Deferred tax assets are recorded on the balance sheet when it is likely that the tax assets will be utilized.

Balance sheet classifications

Current assets and short-term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as fixed assets/long-term liabilities.

Other short-term receivable

Other short-term receivables are recorded on the balance sheet at nominal value and consists of prepayment to suppliers.

Use of estimates

The management has used estimates and assumptions that have affected assets and expenses in accordance with generally accepted accounting principles in Norway. None of the lines in the accounts are subject to significant estimation uncertainty.

Subsidiaries and investments in associates

The investment is valued as cost of the shares in the subsidiary, less any impairment losses.

Cash flow statement

The cash flow statement is presented using the indirect method.

Note 2 – Personnel costs and pension

The company does not have any employees or personnel cost. No payments were made to the CEO or members of the board. The company is not required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension.

Auditor

Auditor's fees for statutory audit are NOK 524 929 and NOK 329 929 for other services, excl. VAT.

Note 3 – Other operating expenses

	2022	2021
Office equipment rental	7 020	0
Audit fees	524 929	312 305
Accounting fees	19 999	58 035
Legal fees	408 886	1 297 775
Insurance	229 697	0
Other fees	4 800	1 200
Total other operating expenses	**1 195 333**	**1 669 315**

Note 4 – Financial income and expenses

Financial income	2022	2021
Group contribution from investment in subsidiary	1 179 755	12 869 096
Interest income	16	0
Financial income (agio)	1 101 800	93
Total financial income	**2 281 572**	**12 869 189**

Note 5 – Intercompany balances with group companies and associates

	2022	2021
reMarkable AS	1 406 880	14 281 048
reMarkable Employee Share Holding I AS	279 196	(440 170)
reMarkable Invest AS	159 938	

Group contriubution froim reMarkable AS to reMarkable Holding AS is reflected as receivables.

Note 6 – Income taxes

Income tax expense	**2022**	**2021**
Tax base calculation		
Net result before income tax	1 086 239	11 199 873
Permanent differences	(1 086 239)	(11 169 873)
Change in temporary differences	0	(30 000)
Loss carry-forwards	0	0
Tax base	**0**	**0**
Payable tax	0	0
Changes in deffered tax	0	(2 463 972)
Tax cost in P&L	**0**	**(2 463 972)**
Payable tax on this year's result	(259 546)	(2 831 201)
Payable tax on Group contribution	259 546	2 831 201
Tax payable in the balance	**0**	**0**

Reconciliation of deferred tax	**2022**	**2021**	**Change**
Deferred tax asset based on 22%	0	0	0

Temporary differences – Deferred tax asset

Deferred tax asset on the balance sheet is allocated based on differences between accounting and tax-related values according to the Norwegian accounting standard for tax. Temporary tax-increasing and tax-reducing differences that can be offset are posted net. Temporary differences are related to provisions.

Note 7 – Equity

Specification of Equity	**Issued capital including treasury shares**	**Treasury Shares**	**Share premium**	**Retained earnings**	**Total**
Equity, 01.01.2022	2 573 523	(29 328)	163 942 216	8 712 502	175 198 914
Treasury shares deleted	(29 328)	29 328	0	0	0
Net Income	0		0	1 086 239	1 086 239
Equity, 31.12.22	**2 544 196**	**0**	**163 942 216**	**9 798 741**	**176 285 153**

Note 8 – Investment in subsidiaries

Company	Location	Share ownership/ voting rights	Equity 31.12.22	Results 2022
reMarkable Invest AS	Oslo, Norway	97,6%	223 549 172	0
reMarkable Employee Share Holding I AS	Oslo, Norway	42,59%	74 282 104	(484 590)

Investments in reMarkable Invest AS and reMarkable Employee Share Holding I AS (RESHI AS) are recognised at cost. No impairment is recognised. reMarkable Invest AS was established at the end of 2021 for the purpose of holding 100% of the shares in reMarkable AS and issue shares to RESHI AS as part of the employee share purchase program. reMarkable Holding AS is the ultimate parent company and owns the majority of reMarkable Invest AS with RESHI AS as minority owner.

Note 9 – Bank deposits

The company has 25 mNOK as bank deposits and there are no restrictions to these funds.

Note 10 – Share capital and shareholder information

reMarkable Holding AS has 7 269 130 shares with a nominal value of 0.35 NOK, which gives a total of 2 544 195,5 NOK. reMarkable Holding AS has two classes of shares, Common Shares and Preferred A Shares. Preferred A Shares were introduced in 2019 when Spark Capital, an American venture capital firm, invested 15 mUSD. Spark Capital is the only investor holding these shares.

No difference in voting rights between the share classes is stipulated in the articles of association. In the event of either an exit or liquidation, dissolution or winding up, the Preferred A Shares give rights the common shareholders do not have. In these matters the holders of Preferred Shares are entitled to the highest value of the price they paid per share, plus any dividends declared but unpaid, or the price corresponding to Common Shares. All remaining amounts will be distributed among the Common Shares in proportion to their respective holding of Common Shares in the Company. Further, shareholders with Preferred A Shares have certain rights when it comes to anti-dilution and protective rights related to investor majority consent. These rights are defined in the Shareholders Agreement.

Main shareholders of reMarkable Holding AS at 31.12.2022:

Shareholder	Number of Common Shares	Number of Preferred A Shares	Stake
SMHW AS	2 327 431		32.02%
Investisol AS	1 083 700		14.91%
Spark Capital (V.LP and Founders' Fund V.LP)		977 611	13,45%
Setra Holding AS	750 000		10.32%
Founders Fund I AS	389 800		5.36%
Stratel AS	199 000		2.74%
Herding Holding AS	174 800		2.40%
Nous Holding AS	174 800		2.40%
Startuplab AS	128 200		1.76%
Dragev Invest AS	100 300		1.38 %
Heidem Holding AS	84 600		1.16 %
Total >1% ownership share	**5 412 631**	**977 611**	**87.91%**
Others (percent ownership < 1%)	867 275	11 613	12.09%
Total number of shares	**6 279 906**	**989 224**	**100.0%**

Per 31.12.2022 the CEO and Chairman of the board, Magnus Haug Wanberg via SMHW AS owns 2 327 431 shares. This corresponds to an ownership interest of 32%. The company's other board members, Marius Juul Møller via Investisol AS and Kevin Tau via Spark Capital, own 1 083 700 (15%) and 989 224 (13.5%) shares respectively. Spark Capital has invested through Spark Capital V. LP (13.3% ownership) and Spark Capital Founders' Fund V. LP (0.2% ownership).