



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	921 496 346
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	REMARKABLE HOLDING AS
Forretningsadresse:	Biermanns gate 6 0473 OSLO

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Frøydis Høistad
Dato for fastsettelse av årsregnskapet:	08.04.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 06.08.2023



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad	2	552 285	777 521
<b>Sum kostnader</b>		<b>552 285</b>	<b>777 521</b>
<b>Driftsresultat</b>		<b>-552 285</b>	<b>-777 521</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datter-/tilknyttet selskap		689 300	
Annen renteinntekt		846	3 287
Annen finansinntekt			728 993
<b>Sum finansinntekter</b>		<b>690 146</b>	<b>732 280</b>
Annen finanskostnad		81	115 693
<b>Sum finanskostnader</b>		<b>81</b>	<b>115 693</b>
<b>Netto finans</b>		<b>690 065</b>	<b>616 587</b>
<b>Ordinært resultat før skattekostnad</b>		<b>137 780</b>	<b>-160 934</b>
Skattekostnad på ordinært resultat	3	30 311	-35 405
<b>Ordinært resultat etter skattekostnad</b>		<b>107 469</b>	<b>-125 529</b>
<b>Årsresultat</b>		<b>107 469</b>	<b>-125 529</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-430 185	-125 529
Annen egenkapital		537 654	
<b>Sum overføringer og disponeringer</b>		<b>107 469</b>	<b>-125 529</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	4	2 463 972	2 494 283
<b>Sum immaterielle eiendeler</b>		<b>2 463 972</b>	<b>2 494 283</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	1	189 096 829	189 061 829
<b>Sum finansielle anleggsmidler</b>		<b>189 096 829</b>	<b>189 061 829</b>
<b>Sum anleggsmidler</b>		<b>191 560 801</b>	<b>191 556 112</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer		30 198	136 667
Konsernfordringer		2 018 307	
<b>Sum fordringer</b>		<b>2 048 505</b>	<b>136 667</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	5	12 112 858	105 066
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>12 112 858</b>	<b>105 066</b>
<b>Sum omløpsmidler</b>		<b>14 161 363</b>	<b>241 733</b>
<b>SUM EIENDELER</b>		<b>205 722 164</b>	<b>191 797 845</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	7, 8	2 563 857	2 539 016
Overkurs	8	195 764 636	188 845 773
Annen innskutt egenkapital	8	7 243 640	



### Balanse

Beløp i: NOK	Note	2020	2019
<b>Sum innskutt egenkapital</b>		<b>205 572 133</b>	<b>191 384 789</b>
<b>Opptjent egenkapital</b>			
Udekket tap	8	23 400	130 868
<b>Sum opptjent egenkapital</b>		<b>-23 400</b>	<b>-130 868</b>
<b>Sum egenkapital</b>	8	<b>205 548 733</b>	<b>191 253 920</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		131 931	18 750
Kortsiktig konserngjeld			383 104
Annen kortsiktig gjeld		41 500	142 071
<b>Sum kortsiktig gjeld</b>		<b>173 431</b>	<b>543 925</b>
<b>Sum gjeld</b>		<b>173 431</b>	<b>543 925</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>205 722 164</b>	<b>191 797 845</b>



### Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		1 214 283 385	368 835 769
Annen driftsinntekt		298 931	
<b>Sum inntekter</b>		<b>1 214 582 316</b>	<b>368 835 769</b>
<b>Kostnader</b>			
Varekostnad		785 674 810	219 644 100
Lønnskostnad		95 942 860	52 952 112
Avskrivning på varige driftsmidler og immaterielle eiendeler		14 750 481	6 302 796
Nedskrivning av varige driftsmidler og immaterielle eiendeler			1 018 384
Annen driftskostnad		228 431 598	117 913 169
<b>Sum kostnader</b>		<b>1 124 799 749</b>	<b>397 830 561</b>
<b>Driftsresultat</b>		<b>89 782 567</b>	<b>-28 994 792</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		61 614	64 858
Annen finansinntekt		23 466 042	6 334 925
<b>Sum finansinntekter</b>		<b>23 527 657</b>	<b>6 399 783</b>
Annen rentekostnad		1 152 462	1 608 775
Annen finanskostnad		64 768 505	7 168 608
<b>Sum finanskostnader</b>		<b>65 920 967</b>	<b>8 777 384</b>
<b>Netto finans</b>		<b>-42 393 310</b>	<b>-2 377 601</b>
<b>Ordinært resultat før skattekostnad</b>		<b>47 389 257</b>	<b>-31 372 392</b>
Skattekostnad på ordinært resultat		9 376 593	-7 978 051
<b>Ordinært resultat etter skattekostnad</b>		<b>38 012 664</b>	<b>-23 394 341</b>
<b>Årsresultat</b>		<b>38 012 664</b>	<b>-23 394 341</b>
Minoritetsinteresser		71 645	
<b>Årsresultat etter minoritetsinteresser</b>		<b>38 084 309</b>	<b>-23 394 341</b>



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Overføringer til/fra annen egenkapital			



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling		81 651 288	53 587 955
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		184 904	208 260
Utsatt skattefordel		7 860 556	14 499 290
<b>Sum immaterielle eiendeler</b>		<b>89 696 748</b>	<b>68 295 505</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		3 076 790	176 093
<b>Sum varige driftsmidler</b>		<b>3 076 790</b>	<b>176 093</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern		0	0
Andre fordringer		6 357 919	
<b>Sum finansielle anleggsmidler</b>		<b>6 357 919</b>	<b>0</b>
<b>Sum anleggsmidler</b>		<b>99 131 457</b>	<b>68 471 599</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		37 963 059	13 229 472
<b>Sum varer</b>		<b>37 963 059</b>	<b>13 229 472</b>
<b>Fordringer</b>			
Kundefordringer		18 029 920	127 773
Andre fordringer		63 557 743	18 428 544
Konsernfordringer		0	0
<b>Sum fordringer</b>		<b>81 587 662</b>	<b>18 556 317</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		288 022 564	165 642 199
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>288 022 564</b>	<b>165 642 199</b>
<b>Sum omløpsmidler</b>		<b>407 573 285</b>	<b>197 427 988</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>SUM EIENDELER</b>		<b>506 704 742</b>	<b>265 899 587</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital		2 563 857	2 539 016
Overkurs		196 028 741	189 109 878
Annen innskutt egenkapital		7 964 151	0
<b>Sum innskutt egenkapital</b>		<b>206 556 749</b>	<b>191 648 894</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		3 810 863	
Udekket tap		0	32 793 894
<b>Sum opptjent egenkapital</b>		<b>3 810 863</b>	<b>-32 793 894</b>
Minoritetsinteresser		1 407 908	
<b>Sum egenkapital</b>		<b>211 775 520</b>	<b>158 855 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner		46 778 178	20 066 238
Leverandørgjeld		84 994 548	42 560 875
Betalbar skatt		2 737 859	
Skyldige offentlige avgifter		25 379 332	8 515 029
Kortsiktig konserngjeld		0	
Annen kortsiktig gjeld		135 039 306	35 902 445
<b>Sum kortsiktig gjeld</b>		<b>294 929 222</b>	<b>107 044 587</b>
<b>Sum gjeld</b>		<b>294 929 222</b>	<b>107 044 587</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>506 704 742</b>	<b>265 899 587</b>





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Enterprise 935 174 627 MVA

To the General Meeting of reMarkable Holding AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of reMarkable Holding AS showing a profit of NOK 107 469 in the financial statements of the parent company and profit of NOK 38 012 664 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company reMarkable Holding AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of reMarkable Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

#### In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ålta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knaresvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Slavanger	Ålesund

Penneo Dokumentnøkkel: PEOHE-2UP10-35V3E-3MT7C-HU3TZ-8QQ1P



reMarkable Holding AS

## Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the

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reMarkable Holding AS

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 March 2021  
KPMG AS

Karianne Fønsteli Vintervoll  
State Authorised Public Accountant  
(This document is signed electronically)

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### Karianne F Vintervoll

Statsautorisert revisor

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*reMarkable Holding AS*

# Annual report 2020 **reMarkable Holding AS**

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reMarkable Holding AS, org. nr. 921 496 346

## Directors' report

### Operations and locations

The reMarkable group consists of reMarkable Holding AS, reMarkable AS and reMarkable Employee Share Holding AS. reMarkable Holding AS is the parent company and owns 100% of reMarkable AS. reMarkable AS is the subsidiary company and contains all employees and operations. reMarkable Employee Share Holding i AS was established in January 2020 for the purpose of holding shares in reMarkable Holding AS for employees.

reMarkable AS develops, markets, and sells consumer electronics products termed 'paper tablets' and additional associated accessories. Both companies are Norwegian, and the group is located at Biermanns gate 6, 0473 Oslo.

reMarkable's business strategy is to develop and produce an electronic device 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, endeavouring to preserve the benefits handwriting has on memory and focus. This ambition is reflected in reMarkable's vision – "Better paper. Better thinking."

The group advertises and sells its products online to over 40 countries in large portions of Europe and North America, along with Australia, New Zealand, and Hong Kong. Orders from the company's own webshop represent the largest portion of total sales. In addition, products are sold through our own pop-up store in Oslo, as well as through selected Elkjøp stores throughout the Nordics. Production is conducted primarily in China, with global distribution from warehouses in Hong Kong.

### Comments related to the financial statements

2020 was reMarkable's fourth year of production and sales, and the first year of profitability.

Revenues in 2020 were 1 214 MNOK, corresponding to an increase of 229% from 2019. The reMarkable's formidable top-line growth was due to the successful launch of reMarkable 2, the second-generation reMarkable paper tablet, and its associated accessories. The products were launched via a pre-order campaign in March 2020, which included a special offer to compensate for longer delivery times. In parallel, the group worked on finalizing the development and scaling up production before the products started shipping in September 2020. After the launch of reMarkable 2, the price of reMarkable 1 was reduced from \$499 to \$299 and sold with normal delivery times. Multiple marketing and PR initiatives in 2020, as well as existing customer upgrades, also contributed to the high sales numbers.

The group's net income was 38 MNOK, a significant lift from -23 MNOK the year before. The profitability is mainly attributable to the growth in sales volume, as well as generally low customer acquisition costs and reduced production costs for the next-generation device.

The two largest cost buckets are 'cost of goods sold' (COGS) and other operating expenses. COGS consists primarily of the production cost of manufactured goods, delivery, and duties. These costs came to 786 MNOK in 2020. Even though reMarkable 2 is priced 25% lower than the original price point of reMarkable 1 the gross margin came in at 35%, only 5 percentage points lower than 2019. This is primarily due to reduced production cost, volume rebates, and solid attachment rates of higher margin accessories. Other operating expenses, which primarily consist of sales and advertisement (S&A), were 228 MNOK. S&A came to 163 MNOK and 13% of revenue. As a percentage of revenue, S&A is down 8 percentage points from the year before. Gross margin less S&A, which is left to cover other expenses, rose to 265 MNOK from 69 MNOK the year before.

Further, personnel costs were 96 MNOK, which is an 81% increase from last year. As a percent of revenue, however, personnel costs were 8%, 6 percentage points lower than last year. The increased cost, in absolute numbers, is in line with the increase in full-time equivalents from 70 in 2019, to 114 in 2020. In addition, a general salary increase in combination with the hiring of more senior personnel also contributed to the increase.



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Depreciation and amortization have increased due to a gradual build-up of intangible assets. This is related to product development, which has been partially booked as intangible assets. Development expenses, consisting primarily of costs related to manufacturers, personnel, and consultants, totaled 46 MNOK and have been capitalized in accordance with the requirements for capitalization of development with a financial perspective of 3-5 years. reMarkable 2 and its associated accessories were one result of the capitalized development in 2020 and previous years, and further additions to the product portfolio are expected over the coming years.

Net financials came to 42 MNOK and made up a significant cost in 2020. This is mainly due to disagio caused by large fluctuations in currency throughout the year. reMarkable ran a pre-order campaign for reMarkable 2 starting late Q1 at a time when NOK was at an all-time weak position compared to USD and EUR. Funds generated from sales in USD and EUR are mostly kept in their respective currencies due to contracts reMarkable has with suppliers being in aforementioned currencies. When converting these funds, as well as other balance sheet items, to NOK at year-end disagio is created. Last year the currency rates at the balance date were in our favor, while it's the opposite this year. Financial expenses also consist of interest on financial instruments.

Total cash flow was 122 MNOK. Cash flow from operations was 132 MNOK and is primarily attributable to high sales numbers and solid financial performance. Total investments made by the group in 2020 were 49 MNOK, mainly connected to development. Cash flow from financing activities of 40 MNOK

is the result of increased use of financial debt instruments and proceeds from issue of share capital. reMarkable has a supply chain financing agreement with the Norwegian bank DNB, which makes it possible to extend payment terms of manufactured goods for up to 90 days, up to 7 MUSD. This corresponds to approximately 60 MNOK per 31.12.2020. The group used supply chain financing on 47 MNOK worth of manufactured goods by year-end. In terms of equity, the group has only had two minor fundraising rounds for employees, totaling 13 MNOK.

Total current assets per December 31st 2020 amount to 408 MNOK, and the group's cash position amounts to 288 MNOK. The strong cash position is partially due to great sales numbers and a backlog of customer orders where funds have been received but goods have not yet been paid for and delivered to customers. The group has 4 MNOK in capital available in a bank overdraft facility, in addition to another 13 MNOK under the supply chain financing agreement. The group's current liabilities per December 31st 2020 amount to 295 MNOK, corresponding to 100% of total debt. 52 MNOK of this is financial obligations to customers (through payment solutions) for orders that were sold in 2020 but had not yet been fulfilled by year-end. These orders were fulfilled and booked as revenue in January 2021. Another 30 MNOK is provisioned for replacements and returns. Total capital at the end of the year was 507 MNOK, compared to 266 MNOK the year before. Total equity per December 31st 2020 was 212 MNOK, a 53 MNOK increase from 2019. Equity ratio was 42% at year-end, compared with 60% per December 31st, 2019.

## Financial risk

### Input factors

As a consumer electronics company, reMarkable is exposed to the possibility of global shortages of production components, which played out in 2020 due to COVID-19 and appears posed to continue to be a challenge over the short to medium term. A team of dedicated personnel is working directly with key suppliers in our supply chain on sourcing of components and strategic measures are being taken to ensure access to critical input factors and securing priority among suppliers. The measures taken include keeping a larger inventory of finished goods and components with a particularly high risk of future inaccessibility. Measures to

secure supply are of very high priority, but at the same time capital intensive. However, with strong financial figures we have confidence that this can be resolved.

### Liquidity risk

reMarkable has a strong financial position per year-end, and instruments are in place to limit impact stemming from working capital. Further, the profitability achieved in 2020 is likely to permit access to increased debt instruments if needed. Since expenditure levels are relatively high, and the group has one primary revenue stream to rely on, changes in



## Directors' report reMarkable Holding AS

the cash position may occur. That said, if temporary revenue challenges arise, the group can reduce expenditures in a timely manner. The group carefully monitors and projects its financial position, and has put in place a long-term financial strategy, while also defining important milestones that need to be reached to ensure financing going forward.

### Market and credit risk

reMarkable's revenue is affected by the standard economic trends seen in sales. However, after over three years in the market, the group is familiar with these trends and has improved its ability to forecast demand and ensure supply.

When it comes to competing products, there are a few similar products in the 'paper tablet' category. As defined by reMarkable, the product category contains two key success criteria at this stage, delivering a paper-like experience, and offering a low enough price point. reMarkable has succeeded in launching a paper tablet at a lower price point with an improved screen, new design, better processing ability, and significant new functionality in terms of both the software and hardware. The product has solidified reMarkable's position as a leading player in the paper tablet category. In addition, reMarkable has built up unique and solid customer insights, which combined with the group's technological expertise, continues to be important when it comes to maintaining its category leadership.

The risk of losses on receivables is considered low, as the group's payment providers are solid companies and release funds continuously within 3-7 days after customer purchase. The risk of losses on receivables on these orders is held by the payment provider and reflected in the fees. reMarkable offers credit payment to a retail distributor but the volume is modest and the risk of losses on receivables is considered very low. Some business customers are offered invoice sales, but the main rule is upfront payment. In relation to an increased focus on the retail and B2B segment, the group will make ongoing assessments of the payment terms provided, the credit risk entailed, and any other instruments that can be used to mitigate risk.

### Macroeconomic risks

reMarkable is a Norwegian group with a global footprint, which exposes it to general macroeconomic risks, such as political disagreements, global epidemics, and general economic downturns. These risks are difficult to predict and prevent and must be carefully monitored and dealt with when they occur.

COVID-19 has affected the group in various ways, but mainly in relation to production. First, the production of goods was temporarily shut down in China in Q1 2020 due to a lockdown. However, the Chinese government seems to have the situation under control and further lockdowns seem unlikely to occur. Further, travel restrictions to China made it difficult to finalize the development and ramp up production of reMarkable 2, which resulted in a few months delay. Normally, a handful of individuals would be on-site at our suppliers' factories in the development phase and occasionally present to monitor production. These resources have now been replaced by consultants. Further, COVID-19 has affected the group in various ways throughout the year, like reduced press coverage when launching reMarkable 2, home office for all employees, increased shipping costs, limited access to debt instruments due to banks' risk appetite, as well as component supply shortage as described earlier. However, as our solid financials indicate, these challenges have been handled exceedingly well by the group. Most importantly, the demand for products has remained very high during the pandemic and is expected to remain high going forward. Management will continue to monitor the development of the virus closely, mitigate risk factors such as supply shortage and follow the national actions taken by the government to combat the spread of COVID-19.

In addition, since the group's products are produced in China and sold in the United States, among other places, reMarkable could be impacted by trade wars, like the one between China and the United States. Until now though, it should be noted, the group has not been significantly impacted, as the shipments sent from Hong Kong overwhelmingly fall below, in dollar value, the threshold required to trigger US sanctions for an individual package.





## *Directors' report reMarkable Holding AS*

Furthermore, the group is exposed to currency risk, as only approximately 5% of revenue is in NOK. To reduce the financial risk the group has established bank accounts in the four different currencies that make up the largest amounts of sales. Using these accounts, reMarkable can avoid fluctuations between the time of payment to the time of transfer, as well as the high exchange rate fees that stem from the payment gateway. Over half of the group's costs are in foreign currencies, and by being able to retain revenue in its original currency, the group can settle these obligations without the

need to convert twice. This provides a natural hedge and allows the group to avoid unnecessary conversion fees. In addition, the supply chain financing solution with DNB for extended credit on the purchase of manufactured goods, is in USD, the same currency that is used in reMarkable's supplier agreements. The group's current strategy does not include the use of any other financial instruments for currency hedging, but this is subject to ongoing assessment.

## The group's prospects

The formidable increase in revenue and the strong net result in an otherwise challenging year is a mark of the group's success and a very solid indicator for further growth and profitability. Increased customer satisfaction, brand-building activities, and great reviews on reMarkable 2 in international publications support this statement. Top-line growth will remain the primary strategic focus in the coming years, though an increasing focus will also be placed on maintaining and improving profitability. The group has invested heavily in the continued development of its products, both software and hardware, during 2020 and will continue to

make improvements going forward. In addition, reMarkable will continue to expand sales channels, move into new geographic markets, and explore new revenue models in the years to come. To achieve our goals for further growth we have strengthened the organization by 52 employees during the year.

Although there are several indications that the group will have further growth, our forecasts are subject to the normal uncertainty that characterizes considerations of future events.

## Work environment, equal opportunity and discrimination

The work environment at reMarkable is considered to be good. The company has a Working 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. The group has followed the government guidelines regarding COVID-19 to the letter, including working from home since March 2020. 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 2020 was 1.74% of total working hours. No workplace injuries or accidents were reported. The group has no known issues of discrimination because of ethnicity, religion, beliefs, disability, sexual orientation, gender identity, or gender expression.

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 2020, the group consisted of 49 women and 93 men. This corresponds to a 35% female share. For more information on this topic, we refer to our report on equality on our career page, [remarkable.com/careers](https://remarkable.com/careers).

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 specified in the manufacturing service agreement.



Directors' report reMarkable Holding AS

## Environmental and community responsibility

The consumer electronics industry causes wear and tear on the external environment through production and emissions from distribution. To reduce environmental harm from production, reMarkable has stated in the manufacturing service agreement with its main supplier that they, at all times, should aim to improve environmental performance in production and sourcing. Also, the group has 'climate neutral' deliveries for orders placed on its own webshop, which comprises the overwhelming majority of sales. This means that DHL, as a supplier, neutralizes the CO2 emissions on reMarkable deliveries via climate neutralizing initiatives.

In addition, the group has put in place a refurbishment process to repair returned devices and sell them as 'almost new,' at a discounted price. The refurbishment process makes it possible to reuse components and thereby reduce scrap material. The group is also in the process of establishing a repair program for customers. Further, all packaging for second-generation products is recyclable. In order to further

reduce our environmental footprint a sustainability project for future products was initiated late 2020. All in all, the group's net impact on the environment is difficult to measure. reMarkable recognizes the importance of environmental challenges and includes this in future product development and the formulation of the group's long-term strategy.

The group has not initiated any major activities related to corporate social responsibility in 2020. Nevertheless, it is noted that the group's vision is closely related to, for example, productivity and cognitive learning. In addition, the product can potentially have positive health effects, as our eyes are designed to process natural, reflected light better than self-illuminating objects (i.e. artificial light). reMarkable also reduces eye strain when compared to LCD screens. The group contributes positively to highlighting and partially solving these types of societal challenges, and this topic will have a natural place in the company's strategy in the longer term.

## 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

reMarkable Holding AS has decided to not pay dividends for the financial year 2020. The net result for the year is taken in its entirety into the group's equity.

Oslo, March 25th, 2021

Magnus Haug Wanberg  
CEO and Chairman of the Board

Kevin Thau  
Board Member

Marius Juul Møller  
Board Member



reMarkable Group

## Income statement reMarkable Group

	Note	2020	2019
Revenue	2	1 214 283 385	368 835 769
Other operating revenue	2	298 931	0
<b>Total operating income</b>		<b>1 214 582 316</b>	<b>368 835 769</b>
Cost of goods sold		(785 674 810)	(219 644 100)
Salary and personnel costs	3, 4, 5	(95 942 860)	(52 952 112)
Depreciations and amortizations	8, 9	(14 750 481)	(6 302 796)
Write downs	8	0	(1 018 384)
Other operating expenses	3, 4, 12	(228 431 598)	(117 913 169)
<b>Sum operating expenses</b>		<b>(1 124 799 749)</b>	<b>(397 830 561)</b>
<b>Result of operations</b>		<b>89 782 567</b>	<b>(28 994 792)</b>
Interest income	6	61 614	64 858
Financial income	6	23 466 042	6 334 925
<b>Total financial income</b>		<b>23 527 657</b>	<b>6 399 783</b>
Other interest charge	6	(1 152 462)	(1 608 775)
Financial expenses	6	(64 768 505)	(7 168 608)
<b>Total financial expenses</b>		<b>(65 920 967)</b>	<b>(8 777 384)</b>
<b>Net financial items</b>		<b>(42 393 310)</b>	<b>(2 377 601)</b>
<b>Result before tax</b>		<b>47 389 257</b>	<b>(31 372 392)</b>
Tax cost	7	(9 376 593)	7 978 051
<b>Net income</b>		<b>38 012 664</b>	<b>(23 394 341)</b>
Net income attributable to Non-controlling interests		(71 645)	0
Net income attributable to reMarkable Holding AS		38 084 309	(23 394 341)
<b>Transfers</b>			
Retained earnings	15	5 218 771	0
Uncovered losses	15	32 793 893	(23 394 341)
<b>Total transfers and allocations</b>		<b>38 012 664</b>	<b>(23 394 341)</b>



reMarkable Group

## Balance sheet reMarkable Group

ASSETS	Note	2020	2019
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Development	3, 8	81 651 288	53 587 955
Patents / trade marks	8	184 904	208 260
Deferred tax assets	7	7 860 556	14 499 290
<b>Total intangible fixed assets</b>		<b>89 696 748</b>	<b>68 295 505</b>
<b>Tangible fixed assets</b>			
Fixtures and fittings, tools, office machinery, etc.	9	3 076 790	176 093
<b>Total tangible fixed assets</b>		<b>3 076 790</b>	<b>176 093</b>
<b>Financial fixed assets</b>			
Other receivables	21	6 357 919	0
<b>Total financial fixed assets</b>		<b>6 357 919</b>	<b>0</b>
<b>Total fixed assets</b>		<b>99 131 457</b>	<b>68 471 599</b>
<b>Current assets</b>			
Inventories	12	37 963 059	13 229 472
<b>Total inventories</b>		<b>37 963 059</b>	<b>13 229 472</b>
<b>Receivables</b>			
Accounts receivables	16	18 029 920	127 773
Other short-term receivables	17	63 557 743	18 428 544
<b>Total receivables</b>		<b>81 587 662</b>	<b>18 556 317</b>
Bank deposits	13	288 022 564	165 642 199
<b>Total bank deposits</b>		<b>288 022 564</b>	<b>165 642 199</b>
<b>Total current assets</b>		<b>407 573 285</b>	<b>197 427 988</b>
<b>Total assets</b>		<b>506 704 742</b>	<b>265 899 587</b>

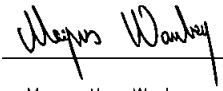


reMarkable Group


## Balance sheet reMarkable Group

EQUITY AND LIABILITIES	Note	2020	2019
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	14, 15	2 563 857	2 539 016
Share premium reserve	15	196 028 741	189 109 878
Other paid-in capital	15	7 964 151	0
<b>Total paid-in capital</b>		<b>206 556 749</b>	<b>191 648 894</b>
<b>Retained earnings</b>			
Other equity	15	3 810 863	0
Loss carry-forward	15	0	(32 793 894)
<b>Total retained earnings</b>		<b>3 810 863</b>	<b>(32 793 894)</b>
Non-controlling interests	15	1 407 908	0
<b>Total equity</b>		<b>211 775 520</b>	<b>158 855 000</b>
<b>Liabilities</b>			
<b>Other long-term liabilities</b>			
Other long-term liabilities	10	0	0
<b>Total other long-term liabilities</b>		<b>0</b>	<b>0</b>
<b>Total long-term liabilities</b>		<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Used Supply Chain Financing	10, 13	46 778 178	20 066 238
Accounts payable		84 994 548	42 560 875
Tax payable	7	2 737 859	0
Public duties payable		25 379 332	8 515 029
Prepayment from customers	20	51 901 862	0
Other short-term liabilities	18, 19	83 137 444	35 902 445
<b>Total current liabilities</b>		<b>294 929 222</b>	<b>107 044 587</b>
<b>Total liabilities</b>		<b>294 929 222</b>	<b>107 044 587</b>
<b>Total equity and liabilities</b>		<b>506 704 742</b>	<b>265 899 587</b>

Oslo, March 25th, 2021

  
Magnus Haug Wanberg  
CEO and Chairman of the Board

  
Kevin Thau  
Board Member

  
Marius Juul Møller  
Board Member



reMarkable Group

## Cash flow statement reMarkable Group

	2020	2019
<b>Cash flow from operating activities</b>		
Gains/losses before tax	47 389 257	(31 372 392)
Ordinary depreciation/amortization	14 750 481	6 302 796
Write downs of intangible assets	0	1 018 384
Changes in inventories	(24 733 587)	21 833 939
Changes in accounts receivable	(17 902 147)	(80 732)
Changes in accounts payable	44 156 717	29 083 641
Changes in other receivables and payables	68 036 794	22 353 332
<b>Net cash flow from operating activities</b>	<b>131 697 515</b>	<b>49 138 968</b>
<b>Cash flow from investing activities</b>		
Investments in development	(49 213 903)	(44 372 932)
<b>Net cash flow from investing activities</b>	<b>(49 213 903)</b>	<b>(44 372 932)</b>
<b>Cash flow from financing activities</b>		
Repayments of long-term debt	0	(40 000 000)
Proceeds from short-term debt	10, 13 26 711 940	20 066 238
Proceeds from issue of share capital	15 13 184 813	129 080 491
<b>Net cash flow from financing activities</b>	<b>39 896 753</b>	<b>109 146 729</b>
Net change in cash and cash equivalents	122 380 365	113 912 765
Cash and cash equivalents at the period's beginning	165 642 199	51 729 434
<b>Cash and cash equivalents at the period's end</b>	<b>288 022 564</b>	<b>165 642 199</b>



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## 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 owns more than 50% of the shares in the company and can exercise control over the company. reMarkable AS and reMarkable Employee Share Holding I AS (RESHI) are the other companies in the group. 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 subsidiaries.

#### ***Revenue recognition***

Revenues from the sale of goods are recognized in the income statement once the payment is approved and the goods are shipped from our fulfillment center in Hong Kong. At this point, most of the risk is transferred to the carrier or the customer. Deposits on warranty (replacements) and returns within a 30-days return period 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.

#### ***Foreign currency***

Transactions in foreign currencies 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 31.12.2020. Differences in balance sheet items due to changes in exchange rates are reflected as financial income (agio) or financial expenses (disagio).

#### ***Development***

Development costs are capitalized provided 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 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 marketing cost, distribution costs, and estimated cost of completion of the goods if they are categorized as Goods-in-process. Goods sold are calculated using the FIFO method and the calculation includes the costs incurred in acquiring the goods. Devices returned from customers under the warranty (replacement) or free return period are sent to the manufacturer for refurbishment. Devices that cannot be repaired by the manufacturer are



## *reMarkable Group*

scrapped. Deposits for returns and replacement are calculated based on historical data and reconciled at year-end when doing an inventory count. Costs associated with refurbishment of devices are expensed once occurred. There is no refurbishment process in place for other accessories, therefore other goods returned to the fulfillment center are scrapped.

## **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 nominal value. An individual assessment of the different receivables has been conducted and based on the assessment no provisions for doubtful accounts has been made.

## **Use of estimates**

Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Few of the lines in the accounts are subject to significant estimation uncertainty.

## **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 nominal value. Depositions of returns and replacements are based on historic data.

## **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents include bank deposits and other short-term, highly liquid investments with maturities of three months or less.





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## Note 2 – Revenue

By business area	2020	2019
Development and sales of hardware products	1 214 283 385	368 835 769
Other operating revenue	298 931	0
<b>Total</b>	<b>1 214 582 316</b>	<b>368 835 769</b>
<b>Geographical distribution</b>		
North America	558 570 357	189 907 407
Europe	594 998 859	159 094 435
Asia and Oceania	60 714 169	19 833 927
<b>Total</b>	<b>1 214 283 385</b>	<b>368 835 769</b>

In addition, revenue from orders placed in 2020 that had not yet been fulfilled by 31.12.20 are not included in these figures. These amounted to 52 MNOK, driven by higher demand than supply, and is presented as Prepayment from customers on the balance sheet. These orders were fulfilled and booked as revenue in January 2021.

Other operating revenue is mainly public grants.

## Note 3 – Public grants

The group has received approval of two "SkatteFUNN" projects for the period of 2018-2020. For 2020 the sum of the funding for the project is expected to be 5 000 000 NOK. Of this amount, 1 291 845 NOK is posted as a reduction of costs, chiefly salaries, and other operating expenses. 3 708 155 NOK is posted as a reduction of development under intangible assets. In addition to this, the group has received 262 500 NOK from Regionale Forskningsfond Oslo. The company has not received any compensation related to COVID-19 other than the general and temporary changes to taxes for employment.

## Note 4 – Personnel costs

Salary and personnel costs	2020	2019
Salaries	72 741 858	36 517 023
Payroll tax	12 496 948	7 821 602
Pension costs	8 079 630	4 604 805
Other benefits	2 624 423	4 008 682
<b>Total</b>	<b>95 942 860</b>	<b>52 952 112</b>

Average full-time employees	114	40
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Salary to CEO	2020	2019
Salaries	1 501 911	1 140 080
Other benefits	983	865
<b>Total</b>	<b>1 502 894</b>	<b>1 140 945</b>

The CEO of reMarkable AS, like other employees, receives a 4.5% pension in addition to their salary. The board does not receive any compensation.



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### **Bonus and share-based payments**

Twice a year the group invites employees of reMarkable AS to invest in the group. The purpose is to give employees the opportunity to participate in 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 can invest up to 30% of annual yearly salary per round. The shares are purchased semi-annually on behalf of the employee at 70% of unrestricted common shares as this is considered a Fair Market Value because of the restrictions accompanying the shares.

The group's bonus scheme was abolished in October 2019 and replaced by a 10% increase in salary for all employees under the scheme.

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 475 600 in statutory audit and NOK 48 000 for additional services, VAT not included.



reMarkable Group

## Note 5 – Pensions

The company 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 6 – Financial income and expenses

	2020	2019
<b>Financial income</b>		
Interest income	61 614	64 858
Financial income (agio)	23 466 042	6 304 852
Other financial income	0	30 073
<b>Total financial income</b>	<b>23 527 657</b>	<b>6 399 783</b>
<b>Financial expenses</b>		
Interest expenses	(1 152 462)	(1 608 775)
Financial expenses (disagio)	(64 768 505)	(6 883 157)
Other financial expenses	0	(285 451)
<b>Total financial expenses</b>	<b>(65 920 967)</b>	<b>(8 777 384)</b>

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 31.12.2020. Some of the disagio occurred at year-end due to a strengthening of NOK in late 2020.

Currency fluctuations represent both a direct and an indirect financial risk for the company. To reduce currency losses, the company has created various bank accounts for currencies that compose large portions of revenue. 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. However, all these funds are converted to NOK on the financial statement 31.12.20, which can create "on paper" agio/disagio.



reMarkable Group

## Note 7 – Income taxes

Income tax expense	2020	2019
<b>Tax base calculation</b>		
Net result before tax	47 389 258	(31 372 392)
Permanent differences	(4 768 375)	(4 966 980)
Temporary differences	28 433 244	2 578 861
Loss carry-forward	(58 609 312)	0
<b>Tax base</b>	<b>12 444 815</b>	<b>(33 760 511)</b>
Tax on ordinary result	2 889 505	0
Changes to deferred tax	6 638 734	(7 427 312)
Excess allocated tax in previous years	0	(550 739)
<b>Tax cost</b>	<b>9 376 593</b>	<b>(7 978 051)</b>

The group is entitled to public grants through "SkatteFUNN" of 4.75 MNOK. The tax payable from the financial year 2020 and SkatteFUNN-grant is not posted net in the balance. Since SkatteFUNN-grant is a tax reduction in the tax settlement and the amount exceeds tax payable the group will not pay any tax for 2020.

### 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	2020	2019	Change
Fixed assets	(100 583)	(714 595)	614 012
Inventory	(4 798 442)	(2 711 861)	(2 086 581)
Short term debt	(30 662 601)	(3 701 926)	(26 960 675)
<b>Net differences</b>	<b>(35 561 626)</b>	<b>(7 128 382)</b>	<b>(28 443 244)</b>
Tax loss carry-forward	(168 171)	(58 777 483)	(58 609 312)
<b>Deferred tax asset base</b>	<b>(35 729 797)</b>	<b>(65 905 865)</b>	<b>(30 176 068)</b>
Deferred tax asset 31.12.2020 based on 22%	(7 860 556)	(14 499 290)	(6 638 734)



reMarkable Group

## Note 8 – Intangible assets

	Software	Patent	Development	Total
Acquisition cost at 01.01.20	1 087 910	233 563	62 102 150	63 423 623
Additions	0	0	42 449 291	42 449 291
Disposals	0	0	0	0
<b>Acquisition cost 31.12.20</b>	<b>1 087 910</b>	<b>233 563</b>	<b>104 551 441</b>	<b>105 872 914</b>
Accumulated amortization at 31.12.20	(434 977)	(48 659)	(23 553 086)	(24 036 722)
<b>Net carrying value at 31.12.20</b>	<b>652 933</b>	<b>184 904</b>	<b>80 998 355</b>	<b>81 836 192</b>
Amortization for the year	(109 216)	(23 356)	(14 276 742)	(14 409 314)
Write downs	0	0	0	0
<b>Amortization plan</b>	<b>3-15 years</b>	<b>10 years</b>	<b>3-5 years</b>	

Development costs are related to significant improvements made on existing products and development of new products. A total of 42 NOK has been accrued in development costs for the year. It is expected that the total earnings from ongoing development will be equivalent to the total accrued costs. Development consists of several projects with different amortization periods, with the largest projects having a 3-year linear amortization period. Amortization period starts when the product or software is launched. No write-downs are taken. COVID-19 does not affect the valuation of intangible assets.

## Note 9 – Tangible assets

Property, plant and equipment	Machinery and equipment
Acquisition cost at 01.01.20	216 475
Additions	3 241 864
Disposals	0
<b>Acquisition cost 31.12.20</b>	<b>3 458 339</b>
Accumulated depreciation 31.12.20	(381 549)
<b>Net carrying value at 31.12.20</b>	<b>3 076 790</b>
Depreciation for the year	(341 167)
<b>Depreciation plan</b>	<b>3-5 years</b>

There was no impairment loss, reversal of impairment or change in depreciation plan for machinery and equipment during the year.



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## Note 10 – Liabilities

	2020	2019
<b>Long term liabilities (more than five years maturity)</b>		
Liabilities to financial institutions	0	0
Other long term liabilities	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Secured debts</b>	<b>0</b>	<b>0</b>
<b>Short term liabilities</b>		
Utilized Supply Chain Financing	46 778 178	20 066 238
<b>Total</b>	<b>46 778 178</b>	<b>20 066 238</b>
<b>Pledged assets</b>		
Inventories	80 000 000	80 000 000
Accounts receivable	80 000 000	80 000 000
Office equipment	80 000 000	80 000 000
<b>Total</b>	<b>240 000 000</b>	<b>240 000 000</b>

Pledged assets are collateral for Supply Chain Financing of 7 MUSD (approx. 60 MNOK), overdraft facilities of 4 MNOK and guarantee to landlord for office space of 3 MNOK. The guarantee expires upon termination of the lease agreement, no later than 31.04.2024. In addition, the company has a total of 4.1 MNOK in deposit for office- and retail space, which is reflected as a receivable under Financial fixed assets.

reMarkable AS has covenants on booked equity for Supply Chain Financing and additional overdraft facilities. The company was not in breach with any covenants at year end.



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## Note 11 – Rental agreements and leasing

reMarkable AS 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 31.12.2020 were 0.9 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 consist of:

	2020	2019
Office space	6 641 283	5 091 079
Furniture and fixtures and IT equipment	2 522 754	2 907 760
<b>Carrying value</b>	<b>9 164 037</b>	<b>7 998 839</b>

Overview of future minimum lease:

	Office space	Furniture and fixtures and IT equipment	Total
Within 1 year	10 439 728	915 974	11 355 702
1 to 5 years	9 299 000	1 128 339	10 427 339
After 5 years	0	0	0
<b>Future minimum lease</b>	<b>19 738 728</b>	<b>2 044 313</b>	<b>21 783 041</b>

The office lease agreement for Villa Bierman can be terminated January 2022 at the earliest. Lease agreement for Øvre Slottsgate can be terminated March 2021 at the earliest. The lease agreement for Thorvald Meyers gate cannot be terminated and expires August 2023. 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.

## Note 12 – Inventories

	2020	2019
Work in progress	33 005 671	4 249 278
Finished goods	4 957 388	8 980 194
<b>Total</b>	<b>37 963 059</b>	<b>13 229 472</b>

Devices, which is the product with highest value, that are returned by customers 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 labelled "Goods-in-process". Cost of refurbishment is expensed as costs when occurred as these costs are difficult to link to products when using FIFO (first in, first out) principle for valuing inventory. Returned goods that are deemed as not repairable by manufacturer are scrapped and written down to zero value.



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## Note 13 – Bank deposits

	2020	2019
Employees tax deduction, deposited in a separate bank account	10 893 102	3 709 982
Other bank deposits	277 129 462	161 932 217
<b>Total bank deposit</b>	<b>288 022 564</b>	<b>165 642 199</b>

reMarkable AS has unutilized credit of 1.5 MUSD (13 MNOK) under the Supply Chain Financing agreement with DNB at year-end. This credit is limited to purchase of devices from the main supplier. An additional 4 MNOK in credit facilities is available per 31.12.2020 and there are no restrictions on the use of these funds.

## Note 14 – Share capital and other shareholder information

reMarkable Holding AS has 7,351,444 shares with a nominal value of 0.35 NOK, which gives a total of 2,573,005.04 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 share holders 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.

The share capital and shareholder overview per 31.12.2020 includes issue of shares in reMarkable Employee Share Holding I AS from a fundraising round for employees that was conducted in 2020 but not registered until January 2021. This is presented as Other paid-in capital capital in note 15.





## reMarkable Group

### Main shareholders of reMarkable Holding AS at 31.12.2020:

Shareholder	Number of Common Shares	Number of Preferred A Shares	Stake
SMHW AS	2 355 200		32.04%
Investisol AS	1 083 700		14.74%
Spark Capital (V.LP and Founders' Fund V.LP)		989 224	13.46%
Setra Holding AS	750 000		10.20%
RMFF Holding I AS	397 300		5.40%
Founders Fund I AS	389 800		5.30%
Stratel AS	199 000		2.71%
Herdning Holding AS	174 800		2.38%
Nous Holding AS	174 800		2.38%
Startupplab AS	128 200		1.74%
<b>Total</b>	<b>5 652 800</b>	<b>989 224</b>	<b>90.35%</b>
Others (percent ownership < 10%)	709 420	0	9.65%
<b>Total number of shares</b>	<b>6 362 220</b>	<b>989 224</b>	<b>100.0%</b>

Per 31.12.2020 the CEO and Chairman of the board, Magnus Haug Wanberg via SMHW AS owns 2,355,200 shares. This corresponds to an ownership interest of 32.04%. 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 (14.74%) and 989 224 (13.45%) shares respectively. Spark Capital has invested through Spark Capital V. LP (13.30% ownership) and Spark Capital Founders' Fund V. LP (0.16% ownership).

## Note 15 – Equity

Specification of Equity	Issued capital	Share pre- mium	Other paid in capital	Loss carry- forward	Other equity	Non-controlling interests	Total
Equity, 01.01.2020	2 539 016	189 109 878	0	(32 793 893)	0	0	158 855 000
Share issue	24 841	6 918 863	7 964 151	0	0	0	14 907 855
Net Income	0	0	0	32 793 894	5 290 416	(71 645)	38 012 665
Equity adjustment NCI	0	0	0	0	(1 479 553)	1 479 553	0
<b>Equity 31.12.20</b>	<b>2 563 857</b>	<b>196 028 741</b>	<b>7 964 151</b>	<b>0</b>	<b>3 810 863</b>	<b>1 407 908</b>	<b>211 775 520</b>

Other paid-in capital is capital from a fundraising round for employees that was conducted in 2020 but was not registered until January 2021.

Movements in Non-controlling interests	2020
Balance, 01.01.2020	0
Equity adjustment reMarkable Holding AS	1 129 373
Equity adjustment reMarkable Employee Share Holding I AS	350 180
Profit (loss) allocated to Non-controlling interests	(71 645)
<b>Total other operating expenses</b>	<b>1 407 908</b>



*reMarkable Group*

## Note 16 – Account receivables

Account receivables mainly consist of receivables from retail distributor. In 2020 the company started selling products through the third-party retailer Elkjøp. There is no risk associated with the receivable and the receivables against distributors that are paid in full upon presentation of the accounts.

## Note 17 – Other short-term receivables

Other-short term receivables mainly consist of public grants from SkatteFUNN and reserves kept in our payment provider accounts. Receivables from PayPal compose 45 MNOK and receivables from Stripe compose 14 MNOK. To minimize transaction costs like disagio and fees we have chosen to keep a significant amount in our PayPal account, whereas Stripe funds are transferred automatically on a regular basis.

## Note 18 – Other short-term liabilities

Other short-term liabilities mainly consist of accrued costs of 32 MNOK at year end, where shipping cost and marketing cost makes up the majority. COVID-19 affected the contract with our courier to include an Emergency Situation Surcharge for deliveries in Q4. Otherwise, COVID-19 has not had any significant effect on contracts. In addition, personnel cost make up 21 MNOK. Other short-term liabilities also consists of provisions for returns and replacements, see note 19.

## Note 19 – 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 products sold. Guarantee commitment is based on historical replacement rate. In addition, the company offers a 30 days return period. Provisions for replacements and returns amounts to 30 MNOK.

## Note 20 – Prepayment from customers

Prepayments from customers consist of funds from orders made in 2020 that had not yet been fulfilled by 31.12.20. This amounts to 52 MNOK and is driven by higher demand than supply. These orders were fulfilled and booked as revenue in January 2021.

## Note 21 – Financial fixed assets

Financial fixed assets consist of 4.1 MNOK in deposits related to pop-up store and office space. In addition, 2.3 is related to renovation of rented premises and will be periodized over the contract period.



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## Income statement reMarkable Holding AS

	Note	2020	2019
Other operating expenses	2	(552 285)	(777 521)
<b>Sum operating expenses</b>		<b>(552 285)</b>	<b>(777 521)</b>
<b>Result of operations</b>		<b>(552 285)</b>	<b>(777 521)</b>
Income from investment in subsidiary	9	689 300	0
Interest income	3	864	3 287
Financial income	3	0	728 993
<b>Total financial income</b>		<b>690 146</b>	<b>732 280</b>
Financial expense	3	(81)	(115 693)
<b>Total financial expenses</b>		<b>(81)</b>	<b>(115 693)</b>
<b>Net financial items</b>		<b>690 065</b>	<b>616 587</b>
<b>Net result before tax</b>		<b>137 780</b>	<b>(160 934)</b>
Tax on ordinary result	4	(30 311)	35 405
<b>Net income</b>		<b>107 469</b>	<b>(125 529)</b>
<b>Transfers</b>			
Group contribution from subsidiary	6	537 654	0
Uncovered losses	6	(430 185)	(125 529)
<b>Total transfers and allocations</b>		<b>107 469</b>	<b>(125 529)</b>



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## Balance sheet reMarkable Holding AS

ASSETS	Note	2020	2019
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Deferred tax assets	4	2 463 972	2 494 283
<b>Total intangible fixed assets</b>		<b>2 463 972</b>	<b>2 494 283</b>
Investments in other group companies	8	189 096 829	189 061 829
<b>Total financial fixed assets</b>		<b>189 096 829</b>	<b>189 061 829</b>
<b>Total fixed assets</b>		<b>191 560 801</b>	<b>191 556 112</b>
<b>Receivables</b>			
Other short-term receivables		30 198	136 667
Group receivables	9	2 018 307	0
<b>Total receivables</b>		<b>2 048 505</b>	<b>136 667</b>
Bank deposits	5	12 112 858	105 066
<b>Total bank deposits</b>		<b>12 112 858</b>	<b>105 066</b>
<b>Total current assets</b>		<b>14 161 363</b>	<b>241 733</b>
<b>Total assets</b>		<b>205 722 164</b>	<b>191 797 845</b>



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## Balance sheet reMarkable Holding AS

EQUITY AND LIABILITIES	Note	2020	2019
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	6, 7	2 563 857	2 539 016
Share premium reserve	6	195 764 636	188 845 773
Other paid-in capital	6	7 243 640	0
<b>Total paid-in capital</b>		<b>205 572 133</b>	<b>191 384 789</b>
<b>Retained earnings</b>			
Loss carry-forward	6	(23 400)	(130 868)
<b>Total retained earnings</b>		<b>(23 400)</b>	<b>(130 868)</b>
<b>Total equity</b>		<b>205 548 733</b>	<b>191 253 920</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable		131 931	18 750
Other short-term liabilities		41 500	525 175
<b>Total current liabilities</b>		<b>173 431</b>	<b>543 925</b>
<b>Total liabilities</b>		<b>173 431</b>	<b>543 925</b>
<b>Total equity and liabilities</b>		<b>205 722 164</b>	<b>191 797 845</b>

Oslo, March 25th, 2021

Magnus Haug Wanberg  
CEO and Chairman of the Board

Kevin Thau  
Board Member

Marius Juul Møller  
Board Member



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## Cash flow statement reMarkable Holding AS

	Note	2020	2019
<b>Cash flow from operating activities</b>			
Gains/losses before tax		137 780	(160 934)
Changes in accounts payable		113 181	18 750
Changes in other receivables and payables		(672 469)	351 633
<b>Net cash flow from operating activities</b>		<b>(421 508)</b>	<b>209 449</b>
<b>Cash flow from investment activities</b>			
Establishment of subsidiary, share capital		(35 000)	0
<b>Net cash flow from financing activities</b>		<b>(35 000)</b>	<b>0</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of share capital		12 464 300	129 080 491
Group contribution to subsidiary company		0	(130 173 576)
<b>Net cash flow from financing activities</b>		<b>12 464 300</b>	<b>(1 093 085)</b>
Net change in cash and cash equivalents		12 007 792	(883 636)
Cash and cash equivalents at the period's beginning		105 066	988 702
<b>Cash and cash equivalents at the period's end</b>		<b>12 112 858</b>	<b>105 066</b>



*reMarkable Holding AS, org. nr. 921 496 346*

## 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. Deferred tax from mergers are kept on balance until it is repaid.

#### ***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***

Subsidiaries and investments in associates are valued at cost in the company accounts. 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. Cash and cash equivalents include bank deposits and other short-term, highly liquid investments with maturities of three months or less.

### 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 45 000 excl. VAT.



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## Note 3 – Financial income and expenses

Financial income	2020	2019
Income from investment in subsidiary	689 300	0
Interest income	864	3 287
Financial income (agio)	0	728 993
<b>Total financial income</b>	<b>690 146</b>	<b>732 280</b>
<b>Financial expenses</b>		
Financial expenses	0	(207)
Financial expenses (disagio)	(81)	(115 486)
<b>Total financial expenses</b>	<b>(81)</b>	<b>(115 693)</b>

The fundraising with Spark Capital in 2019 was settled in USD and the group contribution was settled in NOK. Therefore, agio and disagio occurs 2019. Interest income is group contribution from reMarkable AS.

## Note 4 – Income taxes

Income tax expense	2020	2019	
<b>Tax base calculation</b>			
Profit before income tax	137 780	(160 934)	
Group contribution	689 300	0	
- Permanent differences	(689 300)	0	
- Temporary differences	5 000	25 000	
- Loss carry-forward	(142 779)	0	
<b>Tax base</b>	<b>0</b>	<b>(135 934)</b>	
Tax on ordinary result	30 311	(35 405)	
<b>Reconciliation of deferred tax</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Short term debt	(30 000)	(25 000)	5 000
Tax loss carry-forward	0	(142 779)	(142 779)
<b>Deferred tax asset base</b>	<b>(30 000)</b>	<b>(167 779)</b>	<b>160 934</b>
Deferred tax based on 22%	(6 6000)	(36 911)	(30 311)
Tax loss carry-forward from restructure 2018*	(2 457 372)	(2 458 878)	(1 506)
<b>Deferred tax asset 31.12.2020</b>	<b>(2 463 972)</b>	<b>(2 495 789)</b>	<b>(31 817)</b>

\*Change of 1 506 kr is a correction of tax note stemming from error in 2018-presentation.

### 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 5 – Bank deposits

The company has 12 MNOK as bank deposits and there are no restrictions to these funds.





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## Note 6 – Equity

Specification of Equity	Issued capital	Share premium	Other paid-in capital	Loss carry-forward	Total
Equity, 01.01.2020	2 539 016	188 845 773	0	(130 868)	191 253 920
Share issue	24 841	6 918 863	0	0	6 943 704
Other paid-in capital	0		7 243 640	0	7 243 640
Net Income	0	0	0	107 469	107 469
<b>Equity, 31.12.20</b>	<b>2 563 857</b>	<b>195 764 636</b>	<b>7 243 640</b>	<b>(23 400)</b>	<b>205 548 733</b>

Other paid-in capital is capital from a fundraising round for employees that was conducted in 2020 but was not registered until January 2021.

## Note 7 – Share capital and shareholder information

reMarkable Holding AS has 7,351,444 shares with a nominal value of 0.35 NOK, which gives a total of 2,573,005.04 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.

The share capital and shareholder overview per 31.12.2020 includes issue of shares in reMarkable Holding AS from a fundraising round for employees that was conducted in 2020 but not registered until January 2021. This is presented as Other paid-in capital capital in note 6.

### Main shareholders of reMarkable Holding AS at 31.12.2020:

Shareholder	Number of Common Shares	Number of Preferred A Shares	Stake
SMHW AS	2 355 200		32.04%
Investisol AS	1 083 700		14.74%
Spark Capital (V.LP and Founders' Fund V.LP)		989 224	13.46%
Setra Holding AS	750 000		10.20%
RMFF Holding 1 AS	397 300		5.40%
Founders Fund I AS	389 800		5.30%
Stratel AS	199 000		2.71%
Herding Holding AS	174 800		2.38%
Nous Holding AS	174 800		2.38%
Startuplab AS	128 200		1.74%
<b>Total</b>	<b>5 652 800</b>	<b>989 224</b>	<b>90.35%</b>
Others (percent ownership < 10%)	709 420	0	9.65%
<b>Total number of shares</b>	<b>6 362 220</b>	<b>989 224</b>	<b>100.0%</b>



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Per 31.12.2020 the CEO and Chairman of the board, Magnus Haug Wanberg via SMHW AS owns 2,355,200 shares. This corresponds to an ownership interest of 32.04%. For information on salaries and other remuneration to the board and the CEO, see note 2. The company's other board members, Marius Juul Møller via Investisol AS and Kevin Tau via Spark Capital, own 1 083 700 (14.74%) and 989 224 (13.45%) shares respectively. Spark Capital has invested through Spark Capital V. LP (13.30% ownership) and Spark Capital Founders' Fund V. LP (0.16% ownership).

## Note 8 – Investment in subsidiaries and associates

Company	Location	Share ownership/ voting rights	Equity 31.12.20	Results 2020
reMarkable AS	Oslo, Norway	100%	197 180 049	38 597 423
reMarkable Employee Share Holding I AS	Oslo, Norway	54%	13 065 239	(154 573)

Investments in reMarkable AS and reMarkable Employee Share Holding I AS are valued by using the cost method in the financial statements of reMarkable Holding AS.

## Note 9 – Intercompany balances with group companies and associates

	2020	2019
reMarkable AS	2 018 307	(383 104)

Accounts payable in reMarkable AS have been settled with shares in reMarkable Holding AS. This is reflected as group receivables in reMarkable Holding AS. In addition, group contribution from reMarkable AS to reMarkable Holding AS is reflected as receivables.

## Note 10 – Other operating expenses

	2020	2019
Audit fees	97 401	150 047
Accounting fees	109 981	53 965
Legal fees	122 963	500 175
Insurance	136 667	68 334
Other fees	85 273	5 000
<b>Total other operating expenses</b>	<b>552 285</b>	<b>777 521</b>