

reMarkable

Interim Consolidated Financial Statements

Q4 2023



Words from the CEO

A record year with strong, profitable growth and highly-successful expansion of our retail presence

2023 has been a very good year for reMarkable with record revenues of NOK 3.7 billion (37% year-over-year growth). This has been made possible by a highly-successful retail roll-out in North America during the second half as well as continued strong performance in key markets.

During Q4 we reached a milestone of 2m tablets sold since inception and we also delivered our best-ever quarterly result, driven by strong peak season performance. During the year we also strengthened our balance sheet with a NOK 500 million bond issue. This is especially impressive in light of the challenging macroeconomic backdrop and is only made possible by our dedicated, amazing employees of which I am very proud.

With an EBITDA of NOK 375 million we continue to deliver profitable growth even as we invest in our organization to deliver the best-possible user experience. I am a firm believer in our vision of commercializing new technology to help our customers to think better and look forward to leading our efforts to achieve this.

Best,

Phil Hess
CEO



reMarkable

Part 1

Executive summary



Q4 2023 highlights

Strong peak season results on the back of continued expansion into physical retail

Revenues

Record-high revenues of NOK 1,124m in Q4 on the back of the cont. expansion into physical retail and successful black week campaign.

EBITDA

Q4 EBITDA of NOK 73m is down year-over-year (19%). This is partly driven by an increased cost base as reMarkable continues to scale operations but also an effect of an increased share of retail sales where our partners mainly stock-up during Q3 (on a sell-out basis Q4 was by far our best quarter). In addition the quarter was impacted by the timing of certain cost accruals.

Cash, Net Interest-Bearing Debt and Covenants

Cash and cash equivalents has increased significantly compared to the previous financial year. This results from a combination of positive cash flow from operations as well as proceeds from the recent bond issue. As at the end of the quarter reMarkable has a Net Interest-Bearing Debt ³ position of NOK (453)m and is in compliance with all covenants ⁴.

¹ Consolidated interim financial statements are unaudited and have been prepared at RM Invest level. The reMarkable Group (herewith referred to as "reMarkable") comprise of the parent company, reMarkable Invest AS, and the fully-owned subsidiary and operating company, reMarkable AS. Note that reMarkable is in the process of converting to IFRS, which can result in changes to the preliminary results presented herein. Please see the Appendix for a full Reporting Framework.

² reMarkable has access to an undrawn, uncommitted supply chain facility of USD 25m.

³ Net Interest-Bearing Debt defined as Interest-Bearing Debt less Cash and Cash Equivalents.

⁴ Bond covenants require reMarkable to i) maintain liquidity of no less than NOK 100m at all times and ii) maintain an LTM EBITDA of no less than NOK 150m or a Leverage Ratio no greater than 4.0:1

Key figures	Q4 2023 ¹	Q4 2022 ¹	Year-over-year change
Total revenues	NOK 1,124m	NOK 948m	19%
EBITDA	NOK 73m	NOK 91m	(19)%
EBITDA margin	7%	10%	(3) pp.
Cash and Cash Equivalents ²	NOK 953m	NOK 518m	84%
Net Interest-Bearing Debt ³	NOK (453)m	NOK (376)m	20%

Preliminary fiscal year 2023 highlights

A record year with strong, profitable growth and highly-successful expansion of our retail presence

Revenues

Revenues for FY23 came in at NOK 3,725m, which corresponds to a 37% year-over-year improvement. This was driven by the successful scaling of our indirect sales channel during the second half of the year as well as continued strong performance in our direct channel.

Gross margin

Gross Margin decline year-over-year mainly due to expansion of indirect sales.

EBITDA

All-time high EBITDA of NOK 375m comes as a result of an increased topline contribution in combination with a relative reduction in sales and advertising spend (as a % of revenue) vs. last year.

Key figures	FY 2023 ¹	FY 2022 ¹	Year-over-year change
Total revenues	NOK 3,725m	NOK 2,712m	37%
Gross margin	41%	44%	(3) pp.
EBITDA	NOK 375m	NOK 114m	228%
EBITDA margin	10%	4%	6 pp.

¹⁾ Consolidated interim financial statements are unaudited and have been prepared at RM Invest level. The reMarkable Group (herewith referred to as "reMarkable") comprise of the parent company, reMarkable Invest AS, and the fully-owned subsidiary and operating company, reMarkable AS. Note that reMarkable is in the process of converting to IFRS, which can result in changes to the preliminary results presented herein. Please see the Appendix for a full Reporting Framework

Part 2

Interim Consolidated Financial Statements



Consolidated income statement

NOKm	Q4-23	Q4-22	FY23	FY22
Sales revenue	1,089	920	3,605	2,566
Subscription revenue	35	28	120	146
Total revenue	1,124	948	3,725	2,712
Cost of goods sold	(670)	(610)	(2,185)	(1,530)
Personnel expenses	(150)	(98)	(453)	(313)
Depreciation & amortisation	(19)	(16)	(72)	(50)
Other operating expenses	(231)	(150)	(713)	(755)
Total operating expenses	(1,071)	(873)	(3,422)	(2,649)
Result of operations	53	75	303	63
Financial income	45	35	167	75
Financial expenses	(45)	(32)	(170)	(109)
Net financial items	0	3	(3)	(34)
Result before tax	54	78	300	30
Tax on ordinary result	(14)	(2)	(68)	(6)
Net income	40	76	232	24

Consolidated balance sheet (1/2)

NOKm	Dec-23	Dec-22
R&D and patents	456	257
Deferred tax assets	9	9
Total intangible assets	465	266
Office fittings and machinery	35	33
Total tangible fixed assets	35	33
Other receivables	55	54
Total financial assets	55	54
Total non-current assets	555	353
Inventories	351	207
Accounts receivable	99	26
Other short-term receivables	28	38
Cash and cash equivalents	953	518
Total current assets	1,432	789
Total assets	1,987	1,142

Consolidated balance sheet (2/2)

NOKm	Dec-23	Dec-22
Share capital	5	5
Share premium reserve	83	83
Other paid-in capital	153	153
Retained earnings	393	161
Total equity	634	402
Interest-bearing debt	486	0
Total long-term liabilities	486	0
Interest-bearing debt	14	142
Accounts payable	332	309
Tax payable	70	8
Public duties payable	113	47
Other payables	338	234
Total current liabilities	867	740
Total equity and liabilities	1,987	1,142

Consolidated cash flow statement

NOKm	Q4-23	Q4-22	FY23	FY22
Result after tax	40	76	232	24
Depreciation & amortisation	19	16	72	50
Change in net working capital (NWC)	121	247	61	126
Net cash flow from operating activities	180	339	365	200
Investments in development	(95)	(80)	(272)	(201)
Net cash flow from investing activities	(95)	(80)	(272)	(201)
Proceeds from long-term debt	486	0	486	0
Proceeds from short-term debt	(239)	(46)	(142)	(67)
Proceeds from long-term receivables	0	3	(1)	(50)
Net cash flow from financing activities	247	(43)	343	(117)
Cash at the period's beginning	622	303	518	636
Net change in cash	332	216	436	(118)
Cash at the period's end	953	518	953	518

Part 3

Appendix



Reporting framework

Q4 2023 figures for the reMarkable Group are prepared in accordance with NGAAP

General information

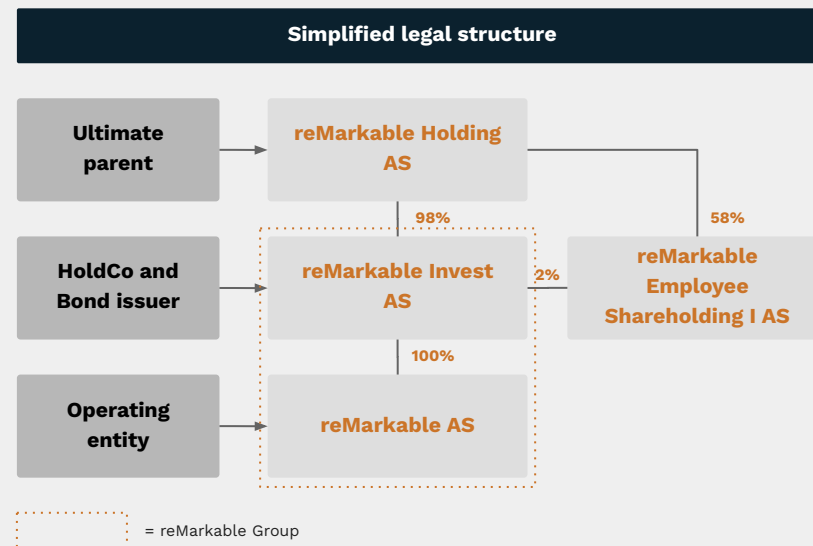
reMarkable Group (herewith referred to as “reMarkable” or the “Company”) comprise of the parent company, reMarkable Invest AS, and the fully-owned subsidiary, reMarkable AS.

Financial reporting period

The condensed interim consolidated financial statements are prepared for reMarkable Group for the fourth quarter ended December 31, 2023 (period from October 1 to December 31).

Basis for preparation

The consolidated interim financial statements have been prepared in accordance with Norwegian GAAP (“NGAAP”) and are unaudited. This report should be read in conjunction with the annual report for reMarkable Invest AS, and the fully-owned subsidiary, reMarkable AS, for the year ended December 31, 2022.



Notes to the Interim Consolidated Financial Statements

Accounting principles are the same as those applied in the annual report for FY22

Presentation of financial items & key accounting principles

- **Accounting principles:** The accounting policies applied by the reMarkable Group in these consolidated interim financial statements are the same as those applied by the reMarkable Group in the financial statements for the year ended December 31, 2022 for reMarkable Invest AS and reMarkable AS. Note that consolidated figures at reMarkable Invest level was not prepared and audited for the year ended December 31, 2022. Because of rounding differences, numbers or percentages may not add up to the sum totals.
- **Cash and cash equivalents:** The cash and cash equivalents reported by reMarkable AS in the 2022 annual report differ from those in these consolidated financial statements primarily due to a reclassification of cash held in payment platforms, totaling NOK 148m, from "other short-term receivables" to "cash and cash equivalents."

Significant transactions and events during the period

- **Research & Development:** reMarkable continuously invest in product innovation and development.
- **Bond issuance:** reMarkable strengthened its balance sheet with a NOK 500m bond issue during Q4-2023.
- **IFRS conversion:** reMarkable is in the process of converting from NGAAP to the International Financial Reporting Standards ("IFRS"). Conversion to IFRS can result in changes to the preliminary results presented herein.