reMarkable Invest Group

Interim Financial Report Q4 | 2024

Words from the CEO

The strong performance seen during the initial launch of the Paper Pro has continued through the fourth quarter of 2024, and, fueled by continued strong demand and positive reviews, I am pleased to announce the results for what is both a record quarter and financial year for reMarkable.

With over 255K paper pro devices sold since launch, our ongoing expansion in the Indirect channel—particularly through Amazon and Best Buy—has played a key role in this success.

Over the past year, we have built the foundation to expand our enterprise market revenue through improved security measures and strategic partnerships. Combined with ongoing enhancements to our software and services, we're excited about the opportunities this will provide in our mission to help people think and work better.

During 2024, we have optimized our resources and operations to adapt to evolving market conditions and customer needs. While there is now some uncertainty surrounding global trade - we have a proven track record of navigating such complexities. We are taking a range of measures to navigate the current environment and leveraging our global supply chain and operational flexibility to maintain stability and long-term resilience.

Best,
Phil Hess
CEO

1

Executive summary

Q4 2024 highlights

Revenues
The strong performance reMarkable witnessed during the initial launch of the Paper Pro in September has continued into the last quarter of the 2024 financial year. Total Revenues for the quarter were USD 173.7m which represents 75% growth year-over-year. The main driver for this growth is the launch of Paper Pro in the indirect channel.

Total volumes increased by 38% in Q4, and volume growth in the indirect channel ended up at 135% year-over-year.

Subscription revenues continue to increase, and at USD 8.4m for the quarter they are up by 127% Year-on-Year (note that part of the subscription revenue growth results from IFRS treatment of our Free-Trial-Period).

Gross margin
The fourth quarter saw a decrease of 2.4 pp in our Gross Margin when compared to the PY. The decrease is largely attributable to prudent approach to provisions made within the quarter to account for strong volume growth based on a new product.

EBITDA
The strong topline contribution results in an EBITDA of USD 25.5m and a significant (6pp) increase in our EBITDA margin.

Cash, Net Interest-Bearing Debt and Covenants
As at the end of the quarter we have a robust cash balance of USD 111.5m and a net cash position of USD 38.3m. We are in full compliance with covenants [4].

Key figures [1]	Q4 2024 [2]	Q4 2023 [2]	Year-over-year change
Total revenues	USD 173.7m	USD 99.1m	75.3%
Gross margin	39.8%	42.3%	[2.4] pp.
EBITDA	USD 26.5m	USD 9.0m	192.4%
EBITDA margin	15.2%	9.1%	6.1 pp.
Cash and Cash Equivalents [3]	USD 111.5m	USD 93.5m	19.3%
Net Interest-Bearing Debt	USD [38.3]m	USD [44.2]m	USD 6.0m

1) Please see the Alternative Performance Measures ("APM") section for reMarkable's assessment of applicable APMs and their respective definition.

2) Condensed consolidated financial statements are unaudited and have been prepared in accordance with IFRS at reMarkable Invest AS level. The reMarkable Group (herewith referred to as "reMarkable" or the "Group") comprise of the parent company, reMarkable Invest AS, and the fully-owned subsidiary and operating company, reMarkable AS.

3) In addition, reMarkable has access to an undrawn, uncommitted supply chain facility of USD 25m.

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

Preliminary fiscal year 2024 highlights

Revenues
Preliminary financial results for FY24 reflect a year of strong performance with a successful launch of the Paper Pro during the third quarter. Recording a topline growth of 28% is a strong result in a continued difficult consumer spending environment and results not only from the launch but also from successful scaling of our Indirect Sales channel as well as improvements made in our own webstore. Note that figures are unaudited and are subject to change.

Subscription revenues have grown to USD 30.8m which represents 78% Year-on-Year growth and we conclude the year with close to 600K paying subscribers (note that part of the subscription revenue growth results from IFRS treatment of our Free-Trial-Period).

Gross margin
Gross margin has improved by 2 pp which is largely related to increased subscription revenues.

EBITDA
In absolute terms, EBITDA improved by USD 15.1m year-on-year as a result of the topline and gross margin improvements.

Cash, Net Interest-Bearing Debt and Covenants
The launch of rMPP has resulted in a significant strengthening of liquidity in 2H 2024 - more than reversing the cash burn we incurred leading up to the launch.

As at the end of the quarter we now have a strong cash balance of USD 111.5m and a net cash position of USD 38.3m. We are in full compliance with covenants [4].

Key figures [1]	FY24 [2]	FY23 [2]	Year-over-year change
Total revenues	USD 433.8m	USD 338.1m	28.3%
Gross margin	42.3%	40.3%	1.9 pp.
EBITDA	USD 52.7m	USD 37.6m	40.1%
EBITDA margin	12.2%	11.1%	1.0 pp.
Cash and Cash Equivalents [3]	USD 111.5m	USD 93.5m	19.3%
Net Interest-Bearing Debt	USD [38.3]m	USD [44.2]m	USD 6.0m

1) Please see the Alternative Performance Measures ("APM") section for reMarkable's assessment of applicable APMs and their respective definition.

2) Condensed consolidated financial statements are unaudited and have been prepared in accordance with IFRS at reMarkable Invest AS level. The reMarkable Group (herewith referred to as "reMarkable" or the "Group") comprise of the parent company, reMarkable Invest AS, and the fully-owned subsidiary and operating company, reMarkable AS.

3) In addition, reMarkable has access to an undrawn, uncommitted supply chain facility of USD 25m.

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

2

Interim Condensed Consolidated Financial Statements

Interim condensed consolidated statement of comprehensive income

USDm	Q4-24	Q4-23	FY24	FY23
Sales revenue	165.3	95.4	403.0	320.8
Subscription revenue	8.4	3.7	30.8	17.3
Total operating revenue [3, 4]	**173.7**	**99.1**	**433.8**	**338.1**
Cost of materials	(95.1)	(50.7)	(227.0)	(176.0)
Employee benefit expenses	(17.9)	(14.3)	(53.0)	(41.7)
Other operating expenses	(34.2)	(25.0)	(101.0)	(82.7)
Depreciation & amortisation	(5.0)	(2.2)	(15.0)	(9.0)
Operating profit/(loss)	**21.5**	**6.8**	**37.7**	**28.6**
Financial income	1.0	0.8	2.8	1.5
Financial expenses	(2.7)	(2.0)	(9.8)	(0.0)
Other financial gains/(losses)	1.1	0.7	2.4	(0.0)
Net financial result	**(0.7)**	**(0.4)**	**(4.7)**	**1.5**
Profit/(loss) before income tax	**20.8**	**6.4**	**33.0**	**30.2**
Income tax expense [5]	(3.2)	(1.7)	(5.8)	(6.6)
Profit/(loss) for the period	**17.5**	**4.7**	**27.3**	**23.5**
Net other comprehensive income/(loss)	-	-	-	-
Comprehensive profit/(loss) for the period	**17.5**	**4.7**	**27.3**	**276.4%**

Interim condensed consolidated statement of financial position (1/2)

USDm	Dec-24	Dec-23
Non-current assets		
Intangible assets [6]	62.8	43.0
Property, plant and equipment	40.3	4.2
Net deferred tax assets	0.1	0.5
Other non-current financial assets	6.6	5.4
Total non-current assets	**109.7**	**53.1**
Current assets		
Inventories	71.7	42.1
Trade receivables	12.7	9.8
Other current assets	8.8	5.5
Derivative financial assets	0.1	0.0
Cash and cash equivalents	111.5	93.5
Total current assets	**204.7**	**150.8**
Total assets	**314.4**	**203.9**

Interim condensed consolidated statement of financial position (2/2)

USDm	Dec-24	Dec-23
Share capital	0.3	0.3
Share premium	25.5	25.5
Retained earnings	56.2	29.0
Other equity	4.1	2.1
Total equity	**86.1**	**56.9**
Borrowings	43.2	47.7
Lease liabilities	24.5	0.0
Non-current provisions	0.0	0.0
Total non-current liabilities	**67.7**	**47.7**
Trade and other payables	50.3	32.8
Lease liabilities (current portion)	1.6	0.1
Borrowings	4.0	1.3
Current tax liabilities	5.5	4.5
Current provisions	1.4	2.1
Other current liabilities	97.9	58.3
Total current liabilities	**160.6**	**99.2**
Total equity and liabilities	**314.4**	**203.9**

Interim condensed consolidated statement of cash flows

USDm	Q4-24	Q4-23	FY24	FY23
Profit/(loss) before income tax	20.8	6.4	33.0	27.2
Adjustments for:				
Depreciation & amortization	5.0	2.2	15.0	9.0
Net financial income and expenses	1.8	0.7	7.0	1.7
Net foreign exchange differences	(3.7)	3.0	(5.8)	2.9
Working capital changes	(2.7)	9.3	21.0	(2.3)
Net loss/gain on derivative instruments	0.2	-	(0.1)	-
Income Tax Paid	(3.1)	(0.3)	(3.8)	(0.7)
Interests received	(0.8)	0.8	1.0	1.5
Net cash flow from operating activities	**17.5**	**22.1**	**67.4**	**39.2**
Expenditures on intangible assets	(7.8)	(6.8)	(29.3)	(23.9)
Receipt/(payment) of deposits	-	0.1	(1.7)	0.1
Expenditures on PPE	(3.3)	(0.8)	(11.0)	(1.5)
Net cash flow from investing activities	**(11.1)**	**(7.5)**	**(41.9)**	**(25.3)**
Payments of loans and borrowings	-	(23.4)	-	(14.4)
Interests paid	(2.0)	(0.5)	(8.5)	(2.0)
Principal portion of lease liabilities	(0.5)	(0.4)	(1.8)	(1.3)
Group contribution	-	(0.1)	-	(0.1)
Cash receipt from borrowings	(13.5)	44.8	2.8	44.8
Net cash flow from financing activities	**(16.1)**	**20.3**	**(7.4)**	**27.0**
Net change in cash & cash equivalents	(9.7)	34.9	18.0	40.9
Cash and cash equivalents BoP	121.1	58.6	93.5	52.6
Cash and cash equivalents EoP	111.4	93.5	111.4	93.5

Interim condensed consolidated statement of changes in equity

USDm	Share capital	Share premium	Retained earnings	Other equity	Total equity
Balance at 1 January 2023	**0.3**	**25.5**	**8.6**	**2.1**	**36.5**
Profit/(loss) for the period	-	-	20.5	-	20.5
Group contribution	-	-	(0.1)	-	(0.1)
Balance at 31 December 2023	**0.3**	**25.5**	**29.0**	**2.1**	**56.9**
Balance at 1 January 2024	**0.3**	**25.5**	**29.0**	**2.1**	**56.9**
Profit/(loss) for the period	-	-	27.3	-	27.3
Capital increase (unregistered)	-	-	-	2.0	2.0
Balance at 31 December 2024	**0.3**	**25.5**	**56.3**	**4.0**	**86.1**

3

Notes to the Interim Condensed Consolidated Financial Statements

Notes to the Interim Condensed Consolidated Financial Statements

1. Corporate Information

These interim condensed consolidated financial statements of reMarkable Invest AS, for fourth quarter (“Q4 2024”) and twelve-month period ended 31 December 2024 (“FY 2024), were authorized for issue in accordance with a resolution of the Board of Directors on Feb 18, 2025. The Board confirms that the interim financial statements have been prepared in accordance with applicable standards and give a true and fair view of the reMarkable Invest Group’s assets, liabilities, financial position and results of operations.

reMarkable Invest AS (“the Company”) is the parent company in the reMarkable Invest Group (referred to as “reMarkable”, “reMarkable Invest Group”), whose main subsidiary is reMarkable AS. reMarkable AS is the operating entity of the reMarkable Invest Group and is a Norwegian company that develops, markets, and sells consumer electronics products termed ‘paper tablets’ and associated accessories. The registered office of reMarkable Invest AS is located at Fridtjof Nansens vei 12 in Oslo, Norway.

2. Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. Therefore, these interim condensed consolidated financial statements do not include all required disclosures required by IFRS® Accounting Standards for a complete set of annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

These interim condensed consolidated financial statements have been prepared based on the going concern assumption. When preparing financial statements, Management has made an assessment of the Group’s ability to continue as a going concern. There are no material uncertainties related to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern. The Group has applied consistent accounting policies with respect to the 2023 annual financial statements. All amounts are presented in USD million unless otherwise stated.

These condensed interim consolidated financial statements are not audited.

The business of the Group is subject to seasonality, where higher sales and operating profits are usually expected during the fourth quarter of the year. The reason for such peaks is mainly the increased demand for devices such as reMarkable’s during the November and December months. However, the Group does not consider its operations to be highly seasonal in accordance with IAS 34.

Notes to the Interim Condensed Consolidated Financial Statements

3. Revenue from contract with customers

USDm	Q4-24	Q4-23	FY24	FY23
Revenue by major class of products				
Sales of devices and accessories (point in time)	165.3	95.4	403.0	320.8
Sale of subscriptions (over time)	8.4	3.7	30.8	17.3
Total revenue from contracts with customers	**173.7**	**99.1**	**433.8**	**338.1**

4. Revenue split by geography

USDm	Q4-24	Q4-23	FY24	FY23
Revenue by geography				
US	55%	45%	53%	52%
Rest of the world	45%	55%	47%	48%
Total revenue from contracts with customers	**100%**	**100%**	**100%**	**100%**

Notes to the Interim Condensed Consolidated Financial Statements

5. Income tax

For the interim periods, income tax expense is recognized based on the Group's best estimate of the weighted average effective annual income tax rate expected for the full financial year. For the first nine months of 2024, the applied effective tax has been 22% (2023: 23%). The reason for the fluctuation is that the functional currency of the companies within the Group is USD while, under the Norwegian taxation system, taxes should be calculated based on NOK being functional currency. Therefore, the fluctuation in the exchange rate between NOK and USD has an effect on the effective tax rate of the Group.

6. Intangible assets

The additions of USD 29.2 million during 2024 are due to the continuation of the ongoing development projects at 31 December 2023, which mainly related to development costs associated with the improvements made on existing products and development of new products, accessories and software.

At the beginning of the second quarter of 2024, the Group completed significant parts of its enterprise resource planning (ERP), supply chain and customer management systems' implementation, and therefore the Group started amortizing those assets. At the end of the third quarter, the Group completed development projects related to the new technology introduced in its newly launched products, subsequent developments of its ERP, and other projects.

During the fourth quarter of 2024, the Group added USD 2.3 million to intangible assets in development phase. These investments mainly cover improvements to existing products, the development of new products and accessories, and software enhancements. The Group also continues to refine its enterprise resource planning (ERP) system, supply chain integrations, and customer management solutions.

Following the recent product launch, the Group has entered a post-launch phase where focus has shifted towards further refinements and next-generation developments. As a result, the intangible assets in development phase are gradually rebuilding. At the end of the third quarter, intangible assets under development amounted to USD 7.8 million, increasing to USD 10.1 million at 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Statements

7. Leases

At the beginning of 2024, the Group commenced its lease agreement for its main headquarters in Oslo. This lease has a non-cancellable period of 10 years. Additionally, the lease agreement includes an extension option at reMarkable's discretion. The Group does not consider reasonably certain to exercise this option based on current facts and circumstances, and considerations on future capacity needs of the business. This lease agreement resulted in the initial recognition of right-of-use assets and lease liabilities amounting to USD 30.9 million and USD 29.5 million, respectively.

The potential future cash outflows from the extension option not reflected in the measurement of the lease liability amounts to USD 12.8 million, on an undiscounted basis.

The lease payments are annually updated in accordance with the changes in the consumer price index. The Group separated non-lease components, mainly services in the building.

As this lease agreement is denominated in NOK, the evolution of the exchange rates between USD and NOK will have an effect on the lease liabilities presented in the consolidated statements of financial position, and "other financial gains/(losses)" in the statement of financial performance.

No significant changes occurred with respect to leases during the fourth quarter of 2024.

8. Borrowings

The increase in borrowings at the 31 December relate to the supply chain financing entered into by the Group, whose terms are indicated in Section 5.3.1 of the annual consolidated financial statements for 2023. At 31 December 2024, borrowings from supply chain financing amount to USD 2.8 million.

Notes to the Interim Condensed Consolidated Financial Statements

9. Other current liabilities

The change in other current liabilities is mainly explained by the evolution of contract liabilities, refund liabilities and inventory commitment liabilities. At 31 December 2024, these liabilities amounts to USD 49.3 million, from USD 22.2 million at 31 December 2023. The increase is mainly attributed to the launch of the Group's new product (reMarkable Paper Pro), with corresponding effects in order backlog, expected returns and production plans.

10. Events after the reporting period

The Group is not aware of any significant events after the end of the reporting period.

4
Alternative Performance Measures

reMarkable applies APMs to provide stakeholders with valuable insight when assessing financial performance

Assessment of Alternative Performance Measures

The Group reports it financial results in accordance with accounting principles IFRS as issued by the IASB and as endorsed by the EU.

Management believes that certain alternative performance measures ("APM") provide both management and other users of the financial statements with valuable insights when assessing the Group's performance. The APMs used here are consistently utilized in planning for and forecasting future periods, including assessment of financial covenants compliance.

Definitions

- Gross Margin is defined as total operating revenue less the cost of materials, PSP fees, inbound and outbound shipping costs divided by the total operating revenue. The Group has chosen to present this metric as it assists users of the financial statements to understand the entity's profitability before operating expenses
- EBITDA is defined as the profit /(loss) for the period before depreciation and amortization, net financial income (expenses) and income tax expense. The Group has chosen to present this metric as it assists users of the financial statements to understand the overall picture of profit generation within the Group's operating activity
- EBITDA margin is defined as the profit/(loss) for the period before depreciation and amortization, net financial income (expenses) and income tax expense divided by the total operating revenue. The Group has chosen to present this metric as it assists users of the financial statements to understand the overall picture of profit generation within the Group's operating activity
- Net Interest-Bearing Debt is defined as Interest-Bearing Debt less Cash and Cash Equivalents. The Group has chosen to present this metric as it is a key covenant within the respective bond agreement