reMarkable Invest Group

Interim Financial Report Q1 | 2025

reMarkable

Words from the CEO

Coming off of an impressive fourth quarter, our revenue growth for the first quarter is partially obscured by the elevated stock levels at our key distributors at the end of 2024. Looking at the “sell-out” performance in our Indirect channel we saw continued strong demand with growth above 30% during the quarter.

During the quarter we passed 3 million devices sold since inception. This is a testament to the strength of remarkable.com as well as the continued growth across our Indirect channel, in particular that of Amazon in the US.

In the first quarter we also strengthened the executive management team with several highly experienced international team members joining reMarkable. The strengthened team will help drive reMarkable towards executing on our long-term goals.

During the period, trade policies within the US have changed significantly and the risk to one of our biggest markets has increased. We have to assume that we for some time will face an increase in working capital and supply chain costs, some of which we already experienced in Q1.

Having said that, the reMarkable team has a long history of navigating similar situations, and we believe we are well-positioned to mitigate a significant portion of the impact in an uncertain global environment.

Best,
Phil Hess
CEO

Adapting to a rapidly changing geopolitical landscape

reMarkable has been adapting to a more complicated trading landscape for some time. Our measures range from changes to our order flow and supply chain to refining how we import and classify goods.

Of the measures enacted to date, some of the most important are:

- Establishing alternative production sites across South East Asia for both rM2 (currently in progress) and rM Paper Pro (complete)
- Securing binding customs classification in the US, UK and EU for our key products (rM Paper Pro and rM2 with tariff heading 84.71 currently exempt from reciprocal tariffs as per the US Presidential Memorandum dated April 11. 2025)
- Establishing additional warehouses (in progress) and adapting our order flow and procedures for customs declaration

While we have tactically adjusted our inventory levels in certain regions to mitigate impact of potential new tariffs we have not yet implemented any price increases. However, we are continuously monitoring the situation and also working closely with our suppliers to realize efficiencies where possible.

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Executive summary

Q1 2025 highlights

Revenues
Total Revenues for the quarter reached USD 95.0m which represents a 9.9% growth year-over-year. This growth was driven by growth in both hardware and subscription revenues.

The combination of our biggest launch in four years and a new distributor in the US contributed to an elevated stock position at our distributor as at the end of Q4 2024. As a result volumes for the Indirect channel were down ~10% YoY as stocks were depleted thus leading to lower revenues in that channel during the quarter.

Gross margin
Gross margin increased slightly by 0.9 pp. year-over-year which is due to strong growth in subscription revenues. This was partly negated by a higher level of returns during the quarter (coming off the back of the launch of Paper Pro).

EBITDA
EBITDA margin declined by 4.3 pp., primarily driven by a rise in operating expenses that outpaced revenue growth as a result of lower sales in the Indirect channel.

Cash, Net Interest-Bearing Debt and Covenants
During the quarter we saw a significant increase in working capital. Primarily due to a seasonal reduction of Trade Payables from Q4 and an increase in AR. Inventory also remained elevated as a result of actions taken to mitigate the impact of potential tariffs. We expect this increase will be partially reversed over the coming months.

As at the end of the quarter we have a cash balance of USD 57.6m and a net interest-bearing debt position of USD 18.8m. We are in full compliance with covenants [4].

Key figures [1]	Q1 2025[2]	Q1 2024	Year-over-year change
Total revenues	USD 95.0m	USD 86.5m	9.9%
Gross margin	43.4%	42.6%	0.9 pp.
EBITDA	USD 2.3m	USD 5.8m	[60.6]%
EBITDA margin	2.4%	6.7%	[4.3] pp.
Cash and Cash Equivalents [3]	USD 57.6m	USD 71.8m	[19.8]%
Net Interest-Bearing Debt	USD 18.8m	USD 2.3m	USD 16.4m

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

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Interim Condensed Consolidated Financial Statements

Interim condensed consolidated statement of comprehensive income

USDm	Q1-25	Q1-24
Sales revenue	86.8	80.0
Subscription revenue	8.2	6.5
Total operating revenue [3, 4]	**95.0**	**86.5**
Cost of materials	(48.8)	(45.1)
Employee benefit expenses	(15.2)	(13.3)
Other operating expenses	(28.8)	(22.2)
Depreciation & amortisation	(5.3)	(3.4)
Operating profit/(loss)	**(3.1)**	**2.4**
Financial income	0.6	0.6
Financial expenses	(2.7)	(2.2)
Other financial gains/(losses)	(5.6)	(0.3)
Net financial result	**(7.7)**	**(1.9)**
Profit/(loss) before income tax	**(10.7)**	**0.5**
Income tax expense [5]	1.2	(0.2)
Profit/(loss) for the period	**(9.5)**	**0.3**
Net other comprehensive income/(loss)	-	-
Comprehensive profit/(loss) for the period	**(9.5)**	**0.3**

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

USDm	Mar-25	Dec-24	Change
Non-current assets			
Intangible assets [6]	66.1	62.8	3.3
Property, plant and equipment	41.0	40.3	0.8
Net deferred tax assets	1.2	0.0	1.2
Other non-current financial assets	6.7	6.6	0.2
Total non-current assets	**115.1**	**109.6**	**5.5**
Current assets			
Inventories	82.2	71.4	10.7
Trade receivables	22.2	12.7	9.5
Other current assets	13.2	8.7	4.4
Derivative financial assets	0.1	0.1	0.0
Cash and cash equivalents	57.6	111.5	(53.9)
Total current assets	**175.2**	**204.4**	**(29.2)**
Total assets	**290.3**	**314.0**	**(23.7)**

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

USDm	Mar-25	Dec-24	Change
Share capital	0.3	0.3	0.0
Share premium	25.5	25.5	0.0
Retained earnings	48.2	53.7	(5.5)
Other equity	0.0	4.0	(4.0)
Total equity	**74.1**	**83.6**	**(9.5)**
Borrowings	46.7	43.2	3.6
Lease liabilities [7]	26.0	24.5	1.6
Non-current provisions	0.0	0.0	-
Total non-current liabilities	**72.8**	**67.6**	**5.1**
Trade and other payables	28.8	50.3	(21.5)
Lease liabilities (current portion) [7]	2.4	1.6	0.8
Borrowings [8]	1.2	4.0	(2.8)
Current tax liabilities	5.8	7.6	(1.8)
Current provisions	1.6	1.4	0.2
Other current liabilities [9]	103.6	97.9	5.7
Total current liabilities	**143.5**	**162.8**	**(19.3)**
Total equity and liabilities	**290.3**	**314.0**	**(23.7)**

Interim condensed consolidated statement of cash flows

USDm	Q1-25	Q1-24
Profit/(loss) before income tax	(10.7)	0.5
Adjustments for:		
Depreciation & amortization	5.3	3.4
Net financial income and expenses	2.5	1.6
Net foreign exchange differences	4.0	(5.5)
Working capital changes	(40.7)	(12.3)
Net loss/gain on derivative instruments	(0.1)	-
Income Tax Paid	-	-
Interests received	0.6	0.6
Net cash flow from operating activities	**39.1**	**(11.6)**
Expenditures on intangible assets	(7.1)	(4.5)
Receipt/(payment) of deposits	-	(1.6)
Expenditures on PPE	(1.7)	(1.3)
Net cash flow from investing activities	**(8.8)**	**(7.5)**
Payments of loans and borrowings	(2.8)	-
Interests paid	(2.1)	(2.2)
Principal portion of lease liabilities	(1.1)	(0.4)
Cash receipt from borrowings	-	-
Net cash flow from financing activities	**(6.0)**	**(2.6)**
Net change in cash & cash equivalents	(53.9)	(21.7)
Cash and cash equivalents BoP	111.5	93.5
Cash and cash equivalents EoP	57.6	71.8

Interim condensed consolidated statement of changes in equity

USDm	Share capital	Share premium	Retained earnings	Other equity	Total equity
Balance at 1 January 2024	**0.3**	**25.5**	**29.0**	**2.1**	**56.9**
Profit/(loss) for the period	-	-	24.7	2.0	26.7
Balance at 31 December 2023	**0.3**	**25.5**	**53.7**	**4.0**	**83.6**
Balance at 1 January 2025	**0.3**	**25.5**	**53.7**	**4.0**	**83.6**
Profit/(loss) for the period	-	-	(9.5)	-	(9.5)
Balance at 31 March 2025	**0.3**	**25.5**	**44.2**	**4.0**	**74.1**

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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 the 3 month period ended 31 March 2025 (“Q1 2025”), were authorized for issue in accordance with a resolution of the Board of Directors on April 29, 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 2024.

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 2024 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	Q1-25	Q1-24
Revenue by major class of products		
Sales of devices and accessories (point in time)	86.8	80.0
Sale of subscriptions (over time)	8.2	6.5
Total revenue from contracts with customers	**95.0**	**86.5**

4. Revenue split by geography

Percentages	Q1-25	Q1-24
Revenue by geography		
US	51%	52%
Rest of the world	49%	48%
Total revenue from contracts with customers	**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 three months of 2025, the applied effective tax has been 22% (2024: 25%). 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

In the fiscal year 2024, the Group both completed significant parts of its enterprise resource planning (ERP), supply chain and customer management systems' implementation, and started amortizing those assets. Furthermore, the September launch of the latest reMarkable device, the Paper Pro, led to all associated development costs being amortized from that date on.

During the first quarter of 2025, the Group added another USD 7.1 million to intangible assets. These investments mainly cover continuous improvements to existing products, the development of new products and accessories, and further software enhancements. The Enterprise resource planning (ERP) system, supply chain integrations, and customer management solutions are continuously being refined.

The Group still finds itself in a phase where the intangible assets in development are gradually rebuilding. At the end of the fourth quarter of 2024, intangible assets under development amounted to USD 10.1 million, increasing to USD 16.5 million at the end of first quarter of 2025.

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 first quarter of 2025.

8. Borrowings

Borrowings decreased in the first quarter of 2025 due to the repayment of the Group's supply chain financing, which totaled USD 2.9m at the end of 2024.

The financing terms of supply chain financing are outlined in Section 5.3.1 of the annual consolidated financial statements for 2024.

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. Changes compared to the previous period are immaterial as there are no significant changes to the respective balances.

10. Events after the reporting period

During the subsequent period, the US, which represents a significant portion of reMarkables business has introduced (with a 90 day delay) new trade policies which affect reMarkable. There is uncertainty on the future trade policies and respective changes that may come. reMarkable will provide applicable updates as they are known.

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

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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

Reconciliation of APM's

The table below sets forth reconciliation of **Gross Margin, EBITDA** and and **EBITDA Margin**:

USDm	Q1-2025	Q1-2024	Year-over-year change
Operating profit/(loss)	(3.1)	2.4	
Depreciation and amortization	(5.3)	(3.4)	
(a) EBITDA	**2.3**	**5.8**	**(60.6) %**
(b) EBITDA Margin (a/d)	**2.4 %**	**6.7 %**	**(4.3) pp.**
Other operating expenses	28.8	22.2	
Employee benefit expenses	15.2	13.3	
Outbound shipping expenses (presented as part of other operating expenses)	(2.9)	(2.6)	
Payment Service Provider fees (presented as part of other operating expenses)	(2.0)	(1.9)	
(c) Gross profit	**41.3**	**36.8**	**12.0 %**
(d) Total revenue	**95.0**	**86.5**	
(e) Gross Margin (c/d)	**43.4 %**	**42.6 %**	**0.9 pp.**

Reconciliation of APM's

The table below sets forth reconciliation of **Net interest-bearing debt:**

USDm	Q1-2025	Q1-2024	Year-over-year change
(a) Cash and cash equivalents	**57.6**	**71.8**	**(19.8) %**
Interest-bearing borrowings	47.9	46.3	
Lease liabilities	28.4	27.9	
(b) Total interest-bearing liabilities	**76.4**	**74.1**	**3.0 %**
Net interest-bearing debt (b - a)	**18.8**	**2.3**	**16.4**