

reMarkable Invest AS, 27 September 2024

Base Prospectus



reMarkable Invest AS

Base Prospectus

Joint Lead Managers:



Oslo, 27 September 2024

reMarkable Invest AS, 27 September 2024

Base Prospectus

Important information

The Base Prospectus is based on sources such as annual reports and publicly available information and forward-looking information based on current expectations, estimates and projections about global economic conditions, as well as the economic conditions of the regions and industries that are major markets for reMarkable Invest AS' (the Issuer) and Guarantors' (including subsidiaries) lines of business.

A prospective investor should consider carefully the factors set forth in Chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

IMPORTANT – EEA AND UK RETAIL INVESTORS - If the Final Terms in respect of any bonds includes a legend titled "Prohibition of Sales to EEA Retail Investors" and/or "Prohibition of Sales to UK Retail Investors", the bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ('EEA') and/or in the United Kingdom (the "UK"). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the PRIIPs Regulation) (and for UK, as it forms part of domestic law by virtue of the EUWA (the UK PRIIPs Regulation)) for offering or selling the bonds or otherwise making them available to retail investors in the EEA and/or the UK has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the EEA and/or the UK may be unlawful under the PRIIPs Regulation and/ or the UK PRIIPs Regulation.

MiFID II product governance and/or UK MiFIR product governance – The Final Terms in respect of any bonds will include a legend titled "MiFID II product governance" and/or "UK MiFIR product governance" which will outline the target market assessment in respect of the bonds and which channels for distribution of the bonds are appropriate. Any person subsequently offering, selling or recommending the bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

This Base Prospectus is subject to the general business terms of the Joint Lead Managers, available at their websites (www.abgsc.com and www.dnb.no).

The Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Base Prospectus and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager or co-manager for this Issuer and/or Guarantors in private and/or public placement and/or resale not publicly available or commonly known.

Copies of this Base Prospectus are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States without registration or an applicable exemption from registration requirements.

The distribution of the Base Prospectus may be limited by law also in other jurisdictions, for example in non-EEA countries. Approval of the Base Prospectus by Finanstilsynet (the Norwegian FSA) implies that the Base Prospectus may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Base Prospectus in any jurisdiction where such action is required.

The Base Prospectus dated 27 September 2024 together with a Final Terms and any supplements to these documents constitute the Prospectus.

The content of this Base Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, this Base Prospectus is subject to Norwegian law. In the event of any dispute regarding the Base Prospectus, Norwegian law will apply.

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Description of the Base Prospectus

Under this Base Prospectus (as supplemented and amended from time to time), the Issuer may occasionally issue, and list bonds ("Bonds") denominated in any currency agreed between the Issuer and the relevant dealer.

The Bonds will be issued on a senior basis as secured or unsecured, with fixed or floating interest rate. The Bonds may have put- and call options.

The Bonds will be electronically registered in the Norwegian Central Securities Depository or any other CSD that allows for bonds issued in uncertificated and dematerialised book-entry form.

There is no limit with regard to the maximum aggregate nominal amount of all bonds from time to time outstanding under the prospectus. However, each issue of bonds will have either a given borrowing amount in the case where there is only one tranche, or a given borrowing limit in the case of more than one tranche.

The Bonds may be issued on a continuing basis to any dealer that the Issuer decides upon.

The Base Prospectus is valid within twelve months from the date of the Base Prospectus.

Information on website(s) mentioned in the Base Prospectus/the Final Terms does not form part of the Base Prospectus/the Final Terms unless that information is incorporated by reference into the Base Prospectus/the Final Terms.

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1 Risk factors

Investing in bonds issued by reMarkable Invest AS and guaranteed by the Guarantors involves inherent risks.

For the purpose of this Base Prospectus, the risk factors for the Group and the Parent are deemed to be equivalent.

The risks and uncertainties described in the Prospectus are risks of which the Group is aware and that the Group considers to be material to its business. If any of these risks were to occur, the Issuer's and/or the Guarantors' business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer and/or Guarantors could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should carefully consider, among other things, the risk factors set out in this Base Prospectus, before making an investment decision.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

1.1 Risks related to the Issuer's and/or the Group's business activities and industry

Risks related to market reception and changes in customer preferences

The Group's financial and operational performance will depend on the successful development, introduction and market acceptance of its offered products and services. As the Issuer offers a limited number of revenue-generating products, the number of products sold, and related subscription agreements entered into, will have a direct effect on the Group's business, operating results and financial condition.

Significant changes in end-users' preferences away from the Group's products and services and towards competitors' offerings, as well as bad customer reviews, are some of the factors that may negatively affect the Group's business, operating results and financial condition. A shift in the preferences of customers could cause a decline in the popularity of the Group's products and services that could materially reduce its revenues and have a material adverse effect on the Group's business, operating results, financial condition and prospects.

Risks related to access to sales channels

The Group sells its hardware products through various channels, including its own web shops, Amazon and other external distributors and retailers. As "paper tablets" is a relatively new product category, it is unlikely the Group can reach its total addressable market through its own web shop directed at consumers, future growth of the Group's business and revenues is therefore dependent on external sales channels to make the hardware products both known and available to new customer segments outside of the Group's current marketing channels, and as a result, increasing the sales volumes of the Group's products. If the Group is not able to attract and retain external business partners for the sale of hardware, the growth prospects, business, results of operations and financial condition of the Group may be materially and adversely affected.

In general, the initial contractual term of the Group's contacts with existing external distributors and retailers are relatively short and includes termination clauses catering for swift contract termination, which may entail reduced predictability with regard to the Group's existing external sales channels in a long-term perspective.

Risks related to marketing channels

The Group primarily promotes its products through social media, such as Facebook and Instagram. Successful marketing depends on both potential customers being active on social media and on the Group's ability to reach its target groups. As social media platforms experience increased scrutiny from data protection authorities in relation to their marketing practices, their advertisement services offered to businesses may have to change. The Group is vulnerable to such changes as that would require the Group to adjust its current marketing strategies. In addition, the Group has limited control over the terms set by platforms such as Facebook, essentially making this channel a "take it or leave it"-option. In the event that the Group were suddenly compelled to substantially reduce, or altogether stop, marketing through Facebook, the growth prospects, revenue and financial results of the Group may be materially and adversely affected.

Risks related to intellectual property

The Group's success and business plan is tied to its ability to protect its intellectual property rights and know how. This requires the Group to obtain and maintain protection for its products, software and technologies, to preserve trade secrets and to operate without infringing the proprietary rights of third parties.

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The Group has trademark protection through registered trademarks in all relevant markets and has design protection for its main products in the Group's main markets and where production is performed. Compared to competitors with major patent portfolios, the Group has a limited number of registered patent rights, but it has implemented a program for identifying new inventions on a regular basis and is filing patent applications for all new inventions within the Group's core technology. In some situations, the Group has determined that trade secret protection may comprise a better means of protection. Thus, for its technical products/services, the Group relies on a combination of patent protection and trade secret protection, where trade secrets are protected through strict confidentiality undertakings and other contractual provisions.

The Group's limited number of patent rights in China may constitute a risk, as the Group has limited means to enforce rights against possible counterfeits by competitors in China, where most competitors are also likely to manufacture their products. This might in turn have a material adverse effect on the Group's revenue, cash flow business and financial results.

The Group employs some open source software in its products for necessary, but non-proprietary functionality, including some software licensed under GPLv2 and GPLv3. These licenses require the Group to make the open source code used available to others, along with any improvements that are made to the open source code. Despite the Group's routines to compartmentalise its open source code from its proprietary functionality, there is a risk that the software containing the open source code becomes bound to other proprietary code in such a way that the Group might also be required to disclose the proprietary code without compensation, which may affect the financial results of the Group.

Risks related to claims for intellectual property infringement

There is substantial intellectual property rights litigation in the industry in which the Group operates. The Group's competitors or other persons may already have obtained, or may in the future obtain, patents or other registered intellectual property rights relating to one or more aspect of the Group's technology or products. If the Group is sued for intellectual property right infringement, it may be forced to incur substantial costs in defending itself, which may affect the financial results of the Group. If litigation were to result in a judgment that the Group infringed a valid and enforceable intellectual property right, a court may order the Group to pay substantial damages to the owner of such intellectual property right and/or to stop using any infringing technology or products. This could cause a significant disruption in the Group's business and force the Group to incur substantial costs to develop and implement alternative, non-infringing technology or products, or to obtain a license from the owner of the intellectual property right. This could also lead the Group's customers and other parties to bring warranty claims against the Group, which may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

Risks related to the lack of an integrated data processing system

The Group is currently phasing in a new enterprise resource planning system provided by SAP and other supporting systems such as an e-commerce platform for the Groups' own webshop. The Group might not be successful in implementing the new systems and any difficulties relating to the installation, integration between the systems, or use of the systems, may lead to a disruption of the Group's business, in particular in the transition period where order management, payment and order fulfillment of customers' orders for the Group's products may be temporarily affected. Any failure or disruption of the Group's IT systems to perform as anticipated could disrupt the Group's business and result in significant remediation costs, transactions errors, downtime, loss of potential sales, and loss of data, which may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

Risks relating to the Group's dependency on suppliers and key components

The Group uses external suppliers for provision of certain key components, technical solutions, manufacturing and assembly etc. of its "paper tablets" and accessories thereto, and seeks to use established suppliers with reputable experience. The Group's products include semiconductors, which are subject to geopolitical uncertainties as the majority of semiconductors are made in Taiwan and the components are also the target for ever-expanding U.S. Export Control regulations vis-a-vis China. In the event that such third party suppliers are unable to fulfil their obligations, the Group may be subject to additional costs or operational disruptions, which in turn could have a material and adverse effect on the Group's business, financial condition or results of operations.

Interruptions in the flow of merchandise from international manufacturers or global shortages of production components, as experienced under the Covid-19 pandemic, could disrupt the Group's supply chain. Political, social or economic instability in Asia where the Group's suppliers' manufacturers are located, or the imposition of additional trade law provisions, regulations, duties, tariffs and other charges affecting imports and exports, could cause disruptions in trade, delay in delivery of the Group's products to customer, or increased costs, including with regard to exports to EU, UK or US.

The Group is reliant on one supplier for their electrophoretic display ("EPD"), which also supplies Amazon and other competitors with their EPDs. There are currently no viable alternatives to this supplier for this component.

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Any negative changes to the Group's relationships with its suppliers, could lead to additional costs or operational disruptions, which in turn could have a material and adverse effect on the Group's business, financial condition or results of operations.

1.2 Risks related to third parties and regulatory issues

Risks relating to cyber security and privacy

In order for the Group to compete effectively and to meet the needs of its suppliers, and customers with its subscription services, including cloud storage of customers' personal notes, it must maintain IT systems in good working order as well as invest in improved technology to keep and protect customer trust as the Operating Company mainly sells to consumers. Information security has also become an important issue in recent years as a result of several high profile data losses, increased consumer data protection legislation, the growing threat and prevalence of cyberattacks and cyber espionage performed by nation states, organised criminal syndicates, competitors and hackers. Any future breach in the data or personal data security of the Group could have a negative impact on its business and reputation. Any failure or alleged failure to comply with privacy legislation, temporary or permanent loss of any of the systems or networks of the Group from any such cyberattack, could cause disruptions to its business operation, substantial fines by national authorities, damage to its reputation, intellectual property loss or competitive advantage loss, resulting in a loss of revenue and potentially higher costs in the future, which could have a material adverse effect on the Group's business, financial condition or results of operations.

Risks relating to liability in under historic share incentive program for employees

The share incentive program for employees of reMarkable AS was set-up by a Norwegian law firm in early 2020. The initial set up provided that employees purchased shares in a separate company, reMarkable Employee Share Holding I AS, that would in turn re-invest the same amount in the Parent. This set-up was in breach of Section 9 of the Norwegian Limited Liability Companies Act, which was discovered after two rounds of employee investments had been completed. The incentive program has later been brought in compliance with mandatory company legislation and both the Group companies and employee shareholders have disclosed the information to the tax authorities for the tax year 2021. The Group has assumed responsibility and agreed to compensate the relevant employees in the event that the tax authorities opens an investigation and their conclusion has adverse tax consequences for the relevant employees. Although the Group finds it unlikely this risk would materialise, and notwithstanding the fact that the Group might be able to recover parts of the losses from the law firm that assisted with the program in 2020, the Group's liquidity and financial situation could potentially suffer.

1.3 Financial risks

Risk related to sufficient liquidity

The Group is dependent on cash flow and revenue from sales volumes in order to finance and expand its operations. As the Group continues to grow, there is an inherent uncertainty that cash flow from operations will be insufficient to finance the Group's need for liquidity. Although the recurring revenue contribution from the Group's "Connect" subscription offsets this to some extent, this revenue stream is yet of limited scale. Due to the lead-time for producing paper tablet, the Group must place orders before future demand is known, which exposes the Group to the risk of future demand not being in line with expectations. This may in turn lead to liquidity tensions and shortfalls in certain time periods.

Currency fluctuations and foreign exchange rates

The Group sells its products in multiple countries with pricing in local currencies. While the majority of sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Group's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be nominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Group's profitability as a stronger NOK will increase the Group's fixed cost base and vice versa. reMarkable has short term contracts with retailers and distributors where underlying sales also provide for foreign exchange terms for the amounts owed to reMarkable.

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1.4 Risks related to the bonds

Value and enforcement of security

The Bonds will be secured by, among others, share pledge over the shares in reMarkable AS, security interests in certain assets owned by the Obligors and guarantees from the Guarantors. However, there is a risk that the value of the security interests is not or will not be sufficient to cover amounts owed to the Bondholders, particularly given that the Bonds will share the security with the other super senior ranking secured parties as regulated by an intercreditor agreement. In any insolvency-related events, the super senior ranking facility's claim rank higher than that of the Bondholders. Consequently, there is uncertainty as to whether the bond trustee will be able to monetize the remaining security and to what extent the proceeds will be sufficient to cover the Bondholder's claims. Furthermore, the intercreditor agreement contains restrictions relating to enforcement and under which conditions such an instruction right can be exercised.

The Issuer may incur financing and hedging obligations that will rank super senior to the bonds

Pursuant to the terms of the Bonds, the Issuer (or any Guarantor) is permitted to incur liabilities that will rank senior in priority to the Bonds, including, inter alia, revolving credit facilities and certain derivative exposures. The relation between the hedge counterparties, the SSRFC Creditors and the bondholders (jointly the "**Secured Creditors**") and the Security Agent will be governed by an intercreditor agreement.

The intercreditor agreement will contain certain provisions regulating application of proceeds and instruction rights, including instructions as to enforcement. Upon certain conditions being met, such instruction right may be held entirely by a defined majority of the creditors under the revolving credit facility and hedge counterparties (whose claims will rank senior to the Bonds with respect to enforcement proceeds). Such other creditors may have conflicting interests with the bondholders in a default and enforcement scenario, including an incentive to take enforcement steps which may be detrimental to the value of the Bonds. In general, and in these situations in particular, there can be no assurance that any enforcement proceeds will be sufficient to cover the prior ranking creditors or the claims under and in relation to the Bonds.

The value of the collateral securing the Bonds may not be sufficient to satisfy the Issuer's obligations under the Bonds

The Bonds will be secured by, among others, share pledge over the shares in reMarkable AS, security interests in certain assets owned by the Obligors and guarantees from the Guarantors. However, there can be no certainty that the value of the security interests is, or will be, sufficient to cover amounts owed by to the Bondholders, particularly given that the Bonds will share the security with the other super senior ranking secured parties as regulated by an intercreditor agreement. The value of the Security may be affected by other permitted financial indebtedness and security, allowance for disposals and other provisions relating to the Issuer's and the other Group Companies' ability to carry out their business under the Bond Terms.

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2 Definitions

reMarkable Invest AS Consolidated Financial Statements

reMarkable Invest AS audited Consolidated Financial Statements as at and for years ended 31 December 2023 and 2022 prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

Articles of Association

The articles of association of reMarkable Invest AS or the Guarantors, as amended and currently in effect.

Base Prospectus

This document dated 27 September 2024.

The Base Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

Board or Board of Directors

The board of directors in the Issuer or the Guarantors.

Bond Terms

Means the bond terms agreed between the Issuer and Nordic Trustee AS for each issuance of bonds, including all attachments which form an integrated part of the bond terms, in each case as amended and/or supplemented from time to time.

Companies Registry

The Norwegian Registry of Business Enterprises (*Foretaksregisteret*)

Company/Issuer

reMarkable Invest AS, a company incorporated and registered in Norway (registration number 828 148 702)

Final Terms

Document to be prepared for each new issue of bonds under the Prospectus. The template for Final Terms is included in the Base Prospectus as Annex 2.

The template for Final Terms has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this template for Final Terms as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this template for Final Terms. Investors should make their own assessment as to the suitability of investing in the securities.

Group

Means the Issuer and its subsidiaries from time to time.

Guarantor

Means the Parent, the Operating Company and any other Material Group Company

IFRS Accounting Standards

IFRS® Accounting Standards

ISIN

International Securities Identification Number

Joint Lead Managers

ABG Sundal Collier ASA and DNB Bank ASA

Material Group Company

Means at any time:
(a) the Issuer;
(b) each Guarantor; and
(c) any Group Company which has been designated as a Material Group Company by the Issuer pursuant to the bond terms (Designation of Material Group Companies).

NOK

Norwegian kroner

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Operating Company	reMarkable AS, a company incorporated and registered in Norway (registration number 917 352 836)
Parent	reMarkable Holding AS, a company incorporated and registered in Norway (registration number 921 496 346)
reMarkable AS Financial Statements	remarkable AS' audited Financial Statements as at and for the years ended 31 December 2023 and 2022 prepared in accordance with IFRS Accounting Standards as adopted by the European Union.
reMarkable Holding AS Consolidated Financial Statements	reMarkable Holding AS' audited Consolidated Financial Statements as at and for the years ended 31 December 2023 and 2022 prepared in accordance with IFRS Accounting Standards as adopted by the European Union.
VPS or VPS System	The Norwegian Central Securities Depository, Verdipapirsentralen ASA

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3 Persons responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the Base Prospectus are as follows:
reMarkable Invest AS, Fridtjof Nansens vei 12, N-0369, Oslo, Norway

3.2 Declaration by persons responsible

reMarkable Invest AS declares that to the best of its knowledge, the information contained in the Base Prospectus and Final Terms is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

Oslo, 27 September 2024

reMarkable Invest AS

DocuSigned by:

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Magnus Haug Wanberg
Chair of the Board

Statements regarding Regulation (EU) 2017/1129

The Base Prospectus and Final Terms have been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Base Prospectus and Final Terms as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

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4 Statutory Auditors

The independent auditors for the Issuer and the Guarantors for the period covered by the historical financial information are given in the table below.

The partners of the auditor of the Issuer and the Guarantors, KPMG AS, are members of the Norwegian Institute of Public Accountants (“Den norske Revisorforening”).

Company	Year	Auditor	Auditor’s address
reMarkable Invest AS	2022 and 2023	KPMG AS	Sørkedalsveien 6, N-0369 Oslo,Norway
reMarkable Holding AS	2022 and 2023	KPMG AS	Sørkedalsveien 6, N-0369 Oslo,Norway
reMarkable AS	2022 and 2023	KPMG AS	Sørkedalsveien 6, N-0369 Oslo,Norway

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5 Information about the Issuer and the Guarantors

5.1 Legal and commercial name, domicile and legal form

Both the Issuer and the Guarantors are private limited liability companies domiciled in Norway.

Legal name	Commercial name
reMarkable Invest AS	reMarkable Invest
reMarkable Holding AS	reMarkable Holding
reMarkable AS	reMarkable

5.2 Place of registration, registration number and LEI code

Both the Issuer and the Guarantors are registered in the Norwegian Companies Registry.

Legal name	Registration number	Purpose	LEI code
reMarkable Invest AS	828 148 702	Invest in other companies	2549001W1B2SPJA6J637
reMarkable Holding AS	921 496 346	Invest in other companies	254900BKU2WXW3QRLD48
reMarkable AS	917 352 836	Develop, produce, and sell/deliver technological products and services	2549001OY5UGFSY87A43

5.3 Country of incorporation, date of incorporation and legislation

Both the Issuer and the Guarantors are incorporated in Norway under the laws of Norway, including the Private Limited Liability Companies Act.

Legal name	Date of incorporation
reMarkable Invest AS	27 October 2021
reMarkable Holding AS	12 September 2018
reMarkable AS	11 May 2016

5.4 Address, telephone and website

Legal name	Address	Telephone
reMarkable Invest AS	Fridtjof Nansens vei 12, N-0369 Oslo, Norway	+47 919 27 470
reMarkable Holding AS	Fridtjof Nansens vei 12, N-0369 Oslo, Norway	+47 919 27 470
reMarkable AS	Fridtjof Nansens vei 12, N-0369 Oslo, Norway	+47 919 27 470

Both the Issuer and the Guarantors have website <https://remarkable.com>.

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The information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

5.5 Objects and purposes

reMarkable Invest AS is the parent of the Group. Issuer's purpose, cf. Articles of Association §3, is "to invest in other companies". The Operating Company's purpose, cf. Articles of Association §3, is "to develop, produce, and sell/deliver technological products and services". Parent's, reMarkable Holding AS, purpose, cf. Articles of Association §3, is "to invest in other companies".

5.6 Material changes in borrowing and funding structure since the last financial year

There has been no material change in neither the Issuer's nor any of the Guarantors' borrowings and/or funding structure since last financial year ended on December 31st, 2023.

5.7 Expected financing of activities

reMarkable is well-positioned to finance its expected research and development investments with its own cash generation. Management will from time to time assess whether to pursue external financing for general corporate purposes. As of now, there are no firm plans in place to execute on this.

5.8 Recent events for evaluation of the issuer's solvency

The issuer is not aware of any significant events that has occurred or is likely to occur that will materially affect the Group's solvency.

5.9 Credit ratings

Credit ratings have not been assigned to the Issuer or any of the Guarantors.

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6 Business overview

6.1 Main categories of products sold and/or services performed

The Operating Company, reMarkable, develops, markets and sells consumer electronics products termed “paper tablets” and associated accessories for “paper tablets”, for example, markers, covers, and keyboards.

reMarkable’s business strategy is to develop and produce electronic devices, as well as a subscription service, for users who prefer the paper experience, as it pertains to reading, writing, and sketching, over to digital devices such as PCs and tablets.

The main product is called “reMarkable 2”, a device that provides an almost identical writing and reading experience to paper, but with additional features only made possible via technology. The device’s functionality is particularly focused on the writing experience, endeavoring to preserve the benefits handwriting has on memory and focus.

Issuer and Parent are holding companies, with the sole purpose of investing in other companies, i.e. Parent holds 98 % of the shares in Issuer, and Issuer holds 100 % of the shares in the Operating Company. Neither Issuer nor Parent have any operations.

6.2 Significant new products or activities

Both to attract new customers and to service existing customers better, the Operating Company is continuously engaged in research and development activity. Innovation can materialize in the form of new physical product and/or software solutions, as well as improvements to the Operating Company’s existing offerings. Thus, at any given time, reMarkable is working on new offerings that may or may not be released depending on the product roadmap, market viability, prospective user experience, strategic priorities and other relevant factors.

6.3 Principal markets in which the issuer competes

The Group distributes its products in over 47 countries, with North America and Europe being the largest markets. The majority of sales originate through the Operating Company’s own web shop, whereas sales via third parties make up an increasing proportion of revenues as part of the Group’s distribution channel strategy.

7 Organisational structure

7.1 Description of Issuer

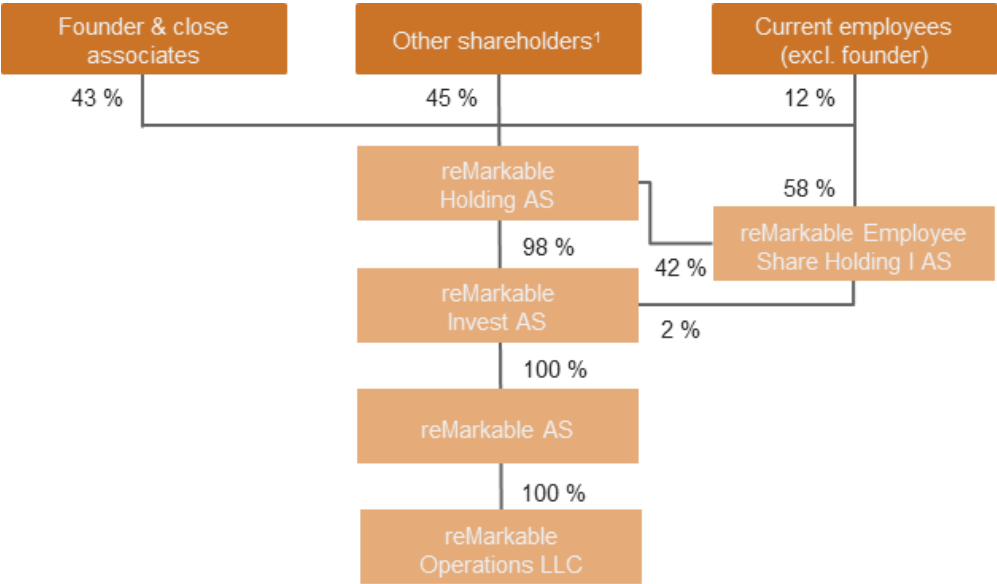
The Issuer and the Guarantors are limited liability companies, incorporated and domiciled in Norway.

reMarkable Holding AS is the Parent of the Group, comprising of the subsidiary companies reMarkable Invest AS, reMarkable AS, and reMarkable Operations LLC. Note that reMarkable Operations LLC holds no assets or liabilities and does not current or in any financial year have any financial transactions.

The purpose and business of reMarkable Invest AS consists of owning shares in reMarkable AS, as well as issuing shares to reMarkable Employee Share Holding I AS through employee issues.

reMarkable AS is the operating entity of the Group.

Figure 7.1 Legal structure



1) Includes angel investors, business accelerators and former employees

7.2 Dependence upon other entities

The Issuer currently conducts its operations through, and most assets are owned by, its subsidiary, the Operating Company. Therefore, the Issuer is dependent on the results of the operations of the Issuer's subsidiary.

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8 Trend information

8.1 Prospects and financial performance

There has been no material adverse change in the prospects of the Issuer or the Guarantors since the date of its last published audited financial statements.

There has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Base Prospectus.

8.2 Known trends, uncertainties, demands, commitments or events

Neither Issuer or Guarantors are aware of any trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on its prospects for the current financial year ending on December 31st, 2024.

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9 Administrative, management and supervisory bodies

9.1 Information about persons

9.1.1 reMarkable Invest AS

Board

For the members of the Board of Directors of the Issuer the description below sets out the names, business address and functions within the Issuer and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer.

Name	Position
Magnus Haug Wanberg	Chairman
Marius Juul Møller	Board member
Kevin Thau	Board member
Vemund Sande	Board member (employee representative)
Anita Glad	Board member (employee representative)

The business address of the members of the Board of the Issuer is Fridtjof Nansens vei 12, N-0369 Oslo, Norway.

Magnus Haug Wanberg

Founded reMarkable in 2013. After 9 years as Chief Executive officer and Chairman of the Board, Magnus transitioned to the role of Executive Chairman. Magnus now divides his time between chairing and further developing reMarkable's Board while supporting the "CEO Office" and broader management team. More specifically, Magnus' focus is oriented towards the longer term strategic development of the Operating Company as well as a closer interaction with the Product Development team to ensure that reMarkable continues to develop great products. Prior to reMarkable, Magnus worked as a management consultant at BCG. Holds a MSc in Industrial Economics and Technology Management from NTNU

Marius Juul Møller

Previous experience as partner at DLA and Selmer. Holds a Master of Laws (LL.M) from LSE and University of Oslo.

Kevin Thau

General Partner at Spark Capital since 2015. Before joining Spark, Kevin spent 20 years as an early employee at a handful of startups, including Twitter and Software.com (Openwave).

Vemund Sande

Joined reMarkable in 2022 and holds the position as Senior Legal Counsel. Prior to this he worked as a Senior Associate at Advokatfirmaet Selmer. Holds a master of Laws (LL.M) from the University of Glasgow and University of Bergen.

Anita Glad

Joined reMarkable in 2020 and holds the position as Senior People Advisor. Prior to this she worked as a HR Advisor at Drest in the United Kingdom. Holds a MA in Politics from the University of Edinburgh.

9.1.2 reMarkable Holding AS

Board

For the members of the Board of Directors of reMarkable Holding AS the description below sets out the names, business address and functions within the Parent and an indication of the principal activities performed by them outside the Parent where these are significant with respect to the Parent.

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Name	Position
Magnus Haug Wanberg	Chairman
Marius Juul Møller	Board member
Kevin Thau	Board member
Vemund Sande	Board member (employee representative)
Anita Glad	Board member (employee representative)

The business address of the members of the Board of reMarkable Holding AS is Fridtjof Nansens vei 12, N-0369 Oslo, Norway.

Magnus Haug Wanberg

Founded reMarkable in 2013. After 9 years as Chief Executive officer and Chairman of the Board, Magnus transitioned to the role of Executive Chairman. Magnus now divides his time between chairing and further developing reMarkable's Board while supporting the "CEO Office" and broader management team. More specifically, Magnus' focus is oriented towards the longer term strategic development of the Operating Company as well as a closer interaction with the Product Development team to ensure that reMarkable continues to develop great products. Prior to reMarkable, Magnus worked as a management consultant at BCG. Holds a MSc in Industrial Economics and Technology Management from NTNU.

Marius Juul Møller

Previous experience as partner at DLA and Selmer. Holds a master of Laws (LL.M) from London School of Economics and University of Oslo

Kevin Thau

General Partner at Spark Capital since 2015. Before joining Spark, Kevin spent 20 years as an early employee at a handful of startups, including Twitter and Software.com (Openwave).

Vemund Sande

Joined reMarkable in 2022 and holds the position as Senior Legal Counsel. Prior to this he worked as a Senior Associate at Advokatfirmaet Selmer. Holds a master of Laws (LL.M) from the University of Glasgow and University of Bergen.

Anita Glad

Joined reMarkable in 2020 and holds the position as Senior People Advisor. Prior to this she worked as a HR Advisor at Drest in the United Kingdom. Holds a MA in Politics from the University of Edinburgh.

9.1.3 reMarkable AS**Board**

For the members of the Board of Directors of reMarkable AS the description below sets out the names, business address and functions within the Operating Company and an indication of the principal activities performed by them outside the Operating Company where these are significant with respect to the Operating Company.

Name	Position
Magnus Haug Wanberg	Chairman
Marius Juul Møller	Board member
Kevin Thau	Board member
Vemund Sande	Board member (employee representative)

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Anita Glad	Board member (employee representative)

The business address of the members of the Board of reMarkable AS is Fridtjof Nansens vei 12, N-0369 Oslo, Norway.

Magnus Haug Wanberg

Founded reMarkable in 2013. After 9 years as Chief Executive officer and Chairman of the Board, Magnus transitioned to the role of Executive Chairman. Magnus now divides his time between chairing and further developing reMarkable's Board while supporting the "CEO Office" and broader management team. More specifically, Magnus' focus is oriented towards the longer term strategic development of the Operating Company as well as a closer interaction with the Product Development team to ensure that reMarkable continues to develop great products. Prior to reMarkable, Magnus worked as a management consultant at BCG. Holds a MSc in Industrial Economics and Technology Management from NTNU.

Marius Juul Møller

Previous experience as partner at DLA and Selmer. Holds a master of Laws (LL.M) from LSE and University of Oslo.

Kevin Thau

General Partner at Spark Capital since 2015. Before joining Spark, Kevin spent 20 years as an early employee at a handful of startups, including Twitter and Software.com (Openwave).

Vemund Sande

Joined reMarkable in 2022 and holds the position as Senior Legal Counsel. Prior to this he worked as a Senior Associate at Advokatfirmaet Selmer. Holds a master of Laws (LL.M) from the University of Glasgow and University of Bergen.

Anita Glad

Joined reMarkable in 2020 and holds the position as Senior People Advisor. Prior to this she worked as a HR Advisor at Drest in the United Kingdom. Holds a MA in Politics from the University of Edinburgh.

Management

For the members of the Management of reMarkable AS the description below sets out the names, business address and functions within the Operating Company and an indication of the principal activities performed by them outside the Operating Company where these are significant with respect to the Operating Company.

Name	Position
Philip Steven Hess	Chief Executive Officer
Mikkel Ektvedt	Chief Financial Officer
Eivind Breiby	Chief Operating Officer
Mats H. Solberg	Chief Design Officer
Nico Cormier	Chief Technology Officer
Kristine Austgulen	Chief Commercial Officer
Haakon Knoph	Chief Organisational Officer
Kristin Rolstad Jahren	Chief Strategy Officer
Magnus Heimsjø	Chief Marketing Officer
Per Thomas Indrelid	Chief Information Officer
Magnus Gran-Jansen	VP Product

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Laila Myksvoll	General counsel

The business address of the members of the management of reMarkable AS is Fridtjof Nansens vei 12, N-0369 Oslo, Norway.

Philip Steven Hess, Chief Executive Officer

Former President and CEO of Bose, serving 24 years with the company. Most recently Chief Operating Officer at Signifier Medical Technologies. Other experience include management consultancy at PA Consulting and Boice Dunham Group. Holds an MBA from Duke University.

Mikkel Ektvedt, Chief Financial Officer

Joined reMarkable in 2022 as Chief Financial Officer. Most recently Director at SEB Corporate Finance and has also held positions as CFO at Magseis ASA and VP Corporate Development at Flex LNG. Previously board member at several tech companies. Holds a BBA from Simon Fraser University.

Eivind Breiby, Chief Operating Officer

Joined reMarkable in 2017 as Chief Supply Chain Officer. Prior experience include Production Manager at Plastal, Strategy and Business Development at Hexagon Ragasco as well management consulting at EY. Graduated with a MSc in Industrial Economics and Technology Management from NTNU.

Mats H. Solberg, Chief Design Officer

CDO at reMarkable since 2015; one of the founding employees. A decade of expertise in product and industrial design. Holds MSc in Industrial and Product Design from NTNU.

Nico Cormier, Chief Technology Officer

Joined reMarkable in 2022 as CTO, transitioning from his position as Chief Technology Officer at Pexip. Holds a master's degree in Software Engineering from EPITECH - European Institute of Technology and Macquarie University.

Kristine Austgulen, Chief Commercial Officer

Joined reMarkable in 2021 after serving as Head of Strategy and Business Development at Amedia AS. Served on the board of FundingPartner. Other experience include management consultancy at McKinsey. Holds a Master of Laws degree from the University of Oslo, a master in International Affairs from the American University and a BA in Political Science from Virginia Commonwealth University.

Haakon Knoph, Chief Organisational Officer

COO at reMarkable since 2019. Former Director of Strategy at TV 2 and Director at PwC. Holds a MBA from London Business School.

Kristin Rolstad Jahren, Chief Strategy Officer

Joined reMarkable as VP Strategy in 2019 and took on the position as Chief Strategy Officer from 2021. Prior to this she worked as a management consultant at BearingPoint. Holds a MSc in Industrial Economics and Technology Management from NTNU.

Magnus Heimsjø, Chief Marketing Officer

Chief Marketing Officer at reMarkable since 2016 and one of the founding employees. Prior to this he worked as a Senior Brand Manager at Orkla. Holds a MSC in Industrial Design Engineering from NTNU.

Per Thomas Indrelid, Chief Information Officer

CIO at reMarkable following management experience in IT across industry and consulting, including Oracle and Nettpartner. Holds a BSc in Aerospace Engineering from the University of Minnesota.

Magnus Gran-Jansen, VP Product

VP Strategy at reMarkable since 2019. Broad strategic experience across product and tech related roles, including Product Manager Mobile at Get and management consultancy at Accenture.

Laila Myksvoll, General Counsel

Appointed as GC in 2023, with significant experience in corporate law serving as GC across different industries and as a lawyer and partner in top tier law firms. Holds a Master of Laws from the University of Bergen.

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9.2 Administrative, management and supervisory bodies conflicts of interest

There are no potential conflicts of interest between any duties to the Issuer or the Guarantors of the persons referred to in item 9.1 and their private interests and/or other duties.

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10 Major shareholders

10.1 Ownership

The Issuer

The share capital of reMarkable Invest AS is NOK 2,596,047 divided into 7,417,280 shares at a nominal value of NOK 0.35 each.

The Issuer is owned by reMarkable Holding AS (98 %) and reMarkable Employee Share Holding I AS (2 %). The Issuer has only one class of shares.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected against abuse by relevant regulations in inter alia the Norwegian Private Limited Liability Companies Act.

The Parent

The share capital of reMarkable Holding AS is NOK 2,544,195.50 divided into 7,269,130 shares at a nominal value of NOK 0.35 each.

The Parent is owned by founder and close associates (43 %), other shareholders (incl. Spark Capital) (45 %) and current employees (excl. founder) (12 %). reMarkable Holding AS has two classes of shares, Common shares and Preference A Shares. No difference in voting rights between the share classes is stipulated in the articles of association. In the event of either an exit (either through a transaction where the majority shareholders do not retain majority of voting power; or by transferring all or substantially all of Parent's assets) or liquidation, dissolution or winding up, the Preference A Shares give rights the common shareholders do not have. In these matters the holders of Preference 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 reMarkable Holding AS. Further, shareholders with Preference A Shares have certain rights when it comes to anti-dilution and protective rights related to investor majority consent.

The Operating Company

The share capital of reMarkable AS is NOK 4,540,400 divided into 45,404 shares at a nominal value of NOK 100 each.

The company is wholly owned by reMarkable Invest AS. reMarkable AS has only one class of shares.

10.2 Change of control of the Issuer and/or a Guarantor

There are no arrangements, known to the Issuer or any of the Guarantors, the operation of which may at a subsequent date result in a change in control of the Issuer.

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11 Financial information concerning the Issuer's and the Guarantor's assets and liabilities, financial position and profits and losses

11.1 Historical Financial Information

reMarkable Invest AS

reMarkable Invest Group (Consolidated)
reMarkable Invest AS' Consolidated Financial Statements as at and for the year ended 31 December 2023, and comparative period for 2022, have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (EU). The reMarkable Invest AS' accounting policies for the Consolidated Financial Statements are presented in the reMarkable Invest AS Consolidated Financial Statements 2023 from page 27.

These are the first Consolidated Financial Statements prepared by the Group. Until the annual period ended 31 December 2022, the Group was exempted to produce Consolidated financial statements, as its ultimate parent, reMarkable Holding AS produced Consolidated financial statements.

The 6 months period ended 30 June 2024 (H1 2024) represents the latest interim period per filing and the related interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34.

The reMarkable Invest AS Consolidated financial statements for 2023 and the Q1 and Q2 2024 interim report are attached as Annex 1a, Annex 2b and Annex 3b, respectively. Historical financial information is available on the pages shown below.

	Consolidated financial statements			
	Q2 2024 (H1 2024)	Q1 2024	2023	2022
reMarkable Invest AS (Consolidated)				
Consolidated statement of comprehensive income	6	6	16	16
Consolidated statement of financial position	7-8	7-8	17-18	17-18
Consolidated statement of cash flows	9	9	20	20
Consolidated statement of changes in equity	10	10	21	21
Notes to the Consolidated financial statements	12-15	12-14	22-66	22-66

reMarkable Holding AS

reMarkable Holding AS' Consolidated Financial Statements as at and for the year ended 31 December 2023, and comparative period for 2022, have been prepared in accordance with the IFRS Accounting Standards as adopted

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by the European Union (EU). These are the first annual Consolidated Financial Statements prepared by the reMarkable Holding AS' in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

The reMarkable Holding AS' accounting policies for the Consolidated Financial Statements are shown in the reMarkable Holding AS Consolidated Financial Statements 2023 from page 22-79.

The reMarkable Holding AS Consolidated Financial Statements 2023 are attached as Annex 1c. Historical financial information is available on the pages shown below.

	Consolidated financial statements	
	2023	2022
reMarkable Holding AS Consolidated		
Consolidated statement of comprehensive income	16	16
Consolidated statement of financial position	17/18	17/18
Consolidated statement of cash flows	20	20
Consolidated statement of changes in equity	21	21
Notes to the Consolidated financial statements	22-79	22-79

reMarkable AS

reMarkable AS' Financial Statements as at and for the year ended 31 December 2023, and comparative period for 2022, have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (EU). The reMarkable AS' accounting policies for 2023 are presented in the reMarkable AS Financial Statements 2023, from page 22-78. These are the first annual Financial Statements prepared by reMarkable AS in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

The reMarkable AS Financial Statements 2023 are attached as Annex 1. Historical financial information is available on the pages shown below.

	Financial statements	
	2023	2022
reMarkable AS		
Statement of comprehensive income	16	16
Statement of financial position	17/18	17/18
Statement of cash flows	20	20
Statement of changes in equity	21	21
Notes to the financial statements	22-78	22-78

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11.2 Auditing of historical annual financial information

11.2.1 Statement of audited historical financial information

reMarkable Invest AS

The audit has been conducted in accordance with International Standards on Auditing (ISAs).

A statement of audited historical financial information is given on page 76 in reMarkable Invest AS' annual report 2023.

reMarkable Holding AS

The audit has been conducted in accordance with International Standards on Auditing (ISAs).

A statement of audited historical financial information is given in the reMarkable Holding AS' annual report 2023, pages 20.

reMarkable AS

The audit has been conducted in accordance with International Standards on Auditing (ISAs).

A statement of audited historical financial information is given in reMarkable AS' annual report 2023, pages 79.

11.2.2 Other audited information

No other information in this Base Prospectus has been audited.

11.3 Age of latest financial information

11.3.1 Last year of audited financial information

The last year of audited financial information is 2023 for both the Issuer and the Guarantors.

11.4 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer, the Guarantors and/or Group's financial position or profitability.

11.5 Significant change in the Issuer and/or Guarantors' financial position

In January 2024 the Operating Company took possession of a new office building at Majorstua in Oslo, Norway under a long term lease which has been recognized as both an asset and liability under lease obligations for IFRS. The amounts materially increase both right of use assets and liabilities for remarkable compared to the previous audit period.

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12 Documents available

The following documents (or copies thereof) may be inspected for the life of the Base Prospectus at the headquarters of the Issuer, Fridtjof Nansens vei 12, N-0369 Oslo, Norway, or at <https://remarkable.com>:

- (a) the up to date memorandum and articles of association of the Issuer;
- (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request, any part of which is included or referred to in the Base Prospectus.

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Base Prospectus

13 Financial instruments that can be issued under the Base Prospectus

The Base Prospectus, as approved in accordance with the EU Prospectus Regulation 2017/1129, allows for Bonds to be offered to the public or admitted to trading on a regulated market situated or operating within any EEA country.

This chapter describes the form, type, definitions, general terms and conditions, return and redemption mechanisms, rating and template for Final Terms associated with the Bonds.

Risk factors related to the Bonds are described in Chapter 1 Risk Factors.

13.1 Securities Form

A Bond is a financial instrument as defined in the Norwegian Securities Trading Act (Verdipapirhandelloven) § 2-2.

The Bonds are electronically registered in book-entry form with the Securities Depository.

13.2 Security Type

Borrowing limit – tap issue

The Loan may be either open or closed for increase of the Borrowing Amount during the tenor. A tap issue can take place until five banking days before the Maturity Date. If the issue is open, the First Tranche and Borrowing Limit will be specified in the Applicable Final Terms.

Return

Fixed Rate (FIX)

A Bond issue with a fixed Interest Rate will bear interest at a fixed rate as specified in the applicable Final Terms.

The Interest Rate will be payable annually or semi-annually on the Interest Payment Dates as specified in the applicable Final Terms.

Floating Rate (FRN)

A Bond issue with a floating Interest Rate will bear interest equal to a Reference Rate plus a fixed Margin for a specified period (3, 6 or 12 months). Interest Rate or Reference Rate may be deemed to be zero. The period lengths are equal throughout the term of the Loan, but each Interest Payment Date is adjusted in accordance with the Business Day Convention. The Interest Rate for each forthcoming period is determined two Business Days prior to each Interest Payment Date based on the then current value of the Reference Rate plus the Margin.

The Interest Rate will be payable quarterly, semi-annually or annually on the interest Payment Dates as specified in the applicable Final Terms.

The relevant Reference Rate, the Margin, the Interest Payment Dates and the then current Interest Rate will be specified in the applicable Final Terms.

Redemption

The Loan will mature in full at the Maturity Date at a price equal to 100 per cent. of the nominal amount.

The Issuer may have the option to prematurely redeem the Loan in full at terms specified in the applicable Final Terms.

The Bondholders may have the right to require that the Issuer purchases all or some of the Bonds held by that Bondholder at terms specified in the applicable Final terms.

Security

The Bonds may be either secured or unsecured. Details will be specified in the applicable Final Terms.

Negative pledge

The Bonds may have negative pledge clause. Details will be specified in the applicable Final Terms.

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13.3 Definitions

This section includes a summary of the definitions set out in any Bond Terms as well as certain other definitions relevant for this Prospectus. If these definitions at any point in time no longer represents the correct understanding of the definitions set out in the Bond Terms, the Bond Terms shall prevail.

Additional Bonds:	Means the debt instruments issued under a Tap Issue, including any Temporary Bonds.
Attachment:	Means any schedule, appendix or other attachment to the Bond Terms.
Base Prospectus:	This document. Describes the Issuer and predefined features of Bonds that can be listed under the Base prospectus, as specified in the Prospectus Regulation (EU) 2017/1129. Valid for 12 months after it has been published. In this period, a prospectus may be constituted by the Base Prospectus, any supplement(s) to the Base Prospectus and a Final Terms for each new issue.
Bond Issue/Bonds/ Notes/the Loan:	Means (i) the debt instruments issued by the Issuer pursuant to the Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.
Bond Terms:	The terms and conditions, including all Attachments which form an integrated part of the Bond Terms, in each case as amended and/or supplemented from time to time.
Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to the Bondholders' rights in the Bond Terms.
Bondholders' decisions:	The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes. At the Bondholders' meeting each Bondholder may cast one vote for each voting bond owned at close of business on the day prior to the date of the Bondholders' meeting in the records registered in the Securities Depository. In order to form a quorum, at least half (1/2) of the voting bonds must be represented at the Bondholders' meeting. See also the clause for repeated Bondholders' meeting in the Bond Terms. Resolutions shall be passed by simple majority of the votes at the Bondholders' Meeting, however, a majority of at least 2/3 of the voting bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of the Bond Terms. (For more details, see also the clause for Bondholders' decisions in the Bond Terms)
Bondholders rights:	Bondholders' rights are specified in the Bond Terms. By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Terms.

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Bond Trustee:	Nordic Trustee AS, Postboks 1470 Vika, 0116 Oslo, or its successor(s) Website: https://nordictrustee.com The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others. The Bond Trustee shall represent the Bondholders in accordance with the finance documents. The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other obligor unless to the extent expressly set out in the Bond Terms, or to take any steps to ascertain whether any event of default has occurred. The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the finance documents.
Borrowing Limit – Tap Issue and Borrowing Amount/First Tranche	Borrowing Limit is the maximum issue amount for an open Bond issue. Borrowing Amount/First Tranche is the borrowing amount for a closed Bond Issue, eventually the borrowing amount for the first tranche of an open Bond Issue. Borrowing Limit – Tap Issue and Borrowing Amount/First Tranche will be specified in the Final Terms.
Business Day:	Means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Currency is open.
Business Day Convention:	If the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Payment Date will be as follow: If Fixed Rate, the Interest Payment Date shall be postponed to the next day which is a Business Day (Following Business Day convention). If FRN, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following Business Day convention).
Calculation Agent:	The Bond Trustee, if not otherwise stated in the applicable Final Terms.
Call Option:	The Final Terms may specify that the Issuer is entitled to redeem (all or some of) the Outstanding Bonds prior to the Maturity Date. In such case the Call Date(s), the Call Price(s) and the Call Notice Period will be specified in the Final Terms.
Change of Control Event:	Means any event where any person or group of persons acting in concert, other than an Existing Shareholder, acquire Decisive Influence over the Issuer.
Currency:	The currency in which the bond issue is denominated.

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	Currency will be specified in the Final Terms.
Day Count Convention:	The convention for calculation of payment of interest; a) If Fixed Rate, the interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis), unless: (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month. (b) If FRN, the interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
Decisive Influence:	Means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly): (a) a majority of the voting rights in that other person; or (b) a right to elect or remove a majority of the members of the board of directors of that other person.
Denomination – Each Bond:	The nominal amount of each Bond. Denomination of each bond will be specified in the Final Terms.
Disbursement Date / Issue Date	Date of bond issue. On the Issue Date the bonds will be delivered to the Bondholder's VPS-account against payment or to the Bondholder's custodian bank if the Bondholder does not have his/her own VPS-account. The Issue Date will be specified in the Final Terms.
Early redemption option due to a tax event:	The Final Terms may specify that the Issuer is entitled to redeem all (but not only some) of the Outstanding Bonds prior to the Maturity Date due to a tax event. In such case the terms of the early redemption option will be specified in the Final Terms.
Early redemption option due to an Equity Listing Event:	Following the occurrence of an Equity Listing Event, the Issuer may by written notice to the Bond Trustee, on one occasion, redeem parts of the total Outstanding Bonds. In such case the terms of the early redemption option will be specified in the Final Terms.
Equity Listing Event:	Means an offering of shares in the Issuer or any of its holding companies whether initial or subsequent to a public offering, resulting in shares allotted becoming quoted, listed, traded or otherwise admitted to trading on an Exchange.
Event of Default:	Means any of the events or circumstances specified in the Bond Terms (Events of Default).

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Exchange:	Means: (a) Oslo Børs (the Oslo Stock Exchange); or (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).
Existing Shareholder:	Means Magnus Haug Wanberg (directly or indirectly) and any parent, spouse, child, brother or sister of Magnus Haug Wanberg.
Final Terms:	Document describing securities as specified in Prospectus Regulation (EU) 2017/1129, prepared as part of the Prospectus. Final Terms will be prepared for each new security as specified in Prospectus Regulation (EU) 2017/1129, issued by the Issuer.
Guarantee:	Means the unconditional and irrevocable guarantee and indemnity (Norwegian: "selvskyldnerkaushjon") in accordance with Norwegian or any other applicable law issued by each of the Guarantors in respect of the secured obligations.
Interest Determination Date(s):	In the case of NIBOR: Second Oslo business day prior to the start of each Interest Period. Interest Determination Date(s) for other Reference Rates, see Final Terms.
Interest Payment Date(s):	The Interest Rate is paid in arrears on the last day of each Interest Period. Any adjustment will be made according to the Business Day Convention. The Interest Payment Date(s) will be specified in the Final Terms.
Interest Period:	The first Interest Period runs from and including the Issue Date to but excluding the first Interest Payment Date. The subsequent Interest Periods run from and including an Interest Payment Date to but excluding the next Interest Payment Date. The last Interest Payment Date corresponds to the Maturity Date.
Interest Rate:	Rate of interest applicable to the Bonds; (i) If Fixed Rate, the Bonds shall bear interest at the percentage rate per annum (based on the Day Count Convention) (ii) If FRN, the Bonds shall bear interest at a rate per annum equal to the Reference Rate plus a Margin (based on the Day Count Convention). Interest Rate or Reference Rate may be deemed to be zero. The Interest Rate is specified in Final Terms.
Interest Rate Adjustment Date:	Date(s) for adjusting of the interest rate for bond issue with floating interest rate. The Interest Rate Adjustment Date will coincide with the Interest Payment Date.

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Base Prospectus

ISIN:	International Securities Identification Number for the Bond Issue. ISIN is specified in Final Terms.
Issuer:	reMarkable Invest AS is the Issuer under the Base Prospectus.
Issuer's Bonds:	Means any Bonds which are owned by the Issuer or any affiliate of the Issuer.
Issue Price:	The price in percentage of the Denomination, to be paid by the Bondholders at the Issue Date. Issue price will be specified in Final Terms.
Joint Lead Manager:	The bond issue's joint lead manager(s), as specified in the Final Terms.
LEI-code:	Legal Entity Identifier (LEI), is a 20-character reference code to uniquely identify legally distinct entities that engage in financial transactions. LEI-code is specified in Final Terms.
Listing:	Listing of a bond issue on an Exchange is due to the Base Prospectus, any supplement(s) to the Base Prospectus and a Final Terms. An application for listing will be sent after the Disbursement Date and as soon as possible after the Prospectus has been approved by the Norwegian FSA. Bonds listed on an Exchange are freely negotiable. See also Market Making.
Market Making:	For Bonds listed on an Exchange, a market-maker agreement between the Issuer and a Bookrunner may be entered into. This will be specified in the Final Terms.
Margin:	The margin, specified in percentage points, to be added to the Reference rate. Margin will be specified in the Final terms.
Maturity Date:	The date the bond issue is due for payment, if not already redeemed pursuant to Call Option, Put Option, Early redemption option due to a tax event or Early redemption option due to an Equity Listing Event. The Maturity Date coincides with the last Interest Payment Date and is adjusted in accordance with the Business Day Convention. The Maturity Date is specified in the Final Terms.
Outstanding Bonds:	Means any Bonds not redeemed or otherwise discharged.

reMarkable Invest AS, 27 September 2024

Base Prospectus

	The Issuer will issue on the Issue date the first tranche of the bond issue as specified in Final Terms. During the term of the bond issue, new tranches may be issued up to the Borrowing Limit, as specified in Final Terms.
Paying Agent:	The entity designated by the Issuer to manage (maintain the Issuer Account for) the bond issue in the Securities Depository. The Paying Agent is specified in the Final Terms.
Principal amount:	Outstanding amounts under the Loan from time to time.
Prospectus:	The Prospectus consists of the Base Prospectus, any supplement(s) to the Base Prospectus and the relevant Final Terms prepared in connection with application for listing on an Exchange.
Put Option:	The Final Terms may specify that upon the occurrence of a Put Option Event, each Bondholder will have the right to require that the Issuer purchases all or some of the Bonds held by that Bondholder. In such case the exercise procedures, the repayment date and redemption price will be specified in the Final Terms.
Put Option Event:	Means a Change of Control Event.
Redemption:	The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount, if not already redeemed pursuant to Call Option, Put Option, Early redemption option due to a tax event or Early redemption option due to an Equity Listing Event.
Redemption Price:	The price determined as a percentage of the Denomination to which the bond issue is to be redeemed at the Maturity Date. Redemption Price is 100 per cent of Denomination – Each Bond.
Reference Rate:	For FRN, the Reference Rate shall be NIBOR or any other rate as specified in the Final Terms, which appears on the Relevant Screen Page as at the specified time on the Interest Determination Date in question. The Reference Rate, the Relevant Screen Page, the specified time, information about the past and future performance and volatility of the Reference Rate and any fallback provisions will be specified in Final Terms.
Relevant Screen Page:	For FRN, an internet address or an electronic information platform belonging to a renowned provider of Reference Rates. The Relevant Screen Page will be specified in the Final Terms.

reMarkable Invest AS, 27 September 2024

Base Prospectus

Securities Depository /CSD:	The securities depository in which the bonds are registered, in accordance with the Norwegian Act of 2019 no. 6 regarding Securities depository. Unless otherwise specified in the Final Terms, the following Securities Depository will be used: Norwegian Central Securities Depository ("Verdipapirsentralen" or "VPS"), P.O. Box 4, 0051 Oslo.
Tap Issues:	The Issuer may, provided that the conditions set out in the Bond Terms are met, at one or more occasions up until, but excluding, the Maturity Date or any earlier date when the Bonds have been redeemed in full, issue Additional Bonds until the aggregate nominal amount of the Bonds outstanding equals in aggregate the maximum issue amount (less the aggregate nominal amount of any previously redeemed Bonds) If N/A is specified in the Borrowing Limit in the Final Terms, the Issuer may not make Tap issues under the Bond Terms.
Temporary Bonds:	If the Bonds are listed on an Exchange and there is a requirement for a new prospectus or a supplement to the Base Prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN which, upon the approval of the supplement or the new prospectus, will be converted into the ISIN for the Bonds issued on the initial Issue Date. The Bond Terms governs such Temporary Bonds. The Issuer shall inform the Bond Trustee, the Exchange and the Paying Agent once such supplement is approved.
Yield:	Dependent on the Market Price for bond issue with floating rate. Yield for the first interest period can be determined when the interest is known, normally two Business Days before the Issue Date. For bond issue with fixed rate, yield is dependent on the market price and number of Interest Payment Date. The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» prepared by Forening for finansfag in March 2022: https://finansfag.no/wp-content/uploads/2022/06/Rentekonvensjon_oppdatert2022.pdf Yield is specified in Final Terms.

13.4 General terms and conditions

These general terms and conditions summarize and describe the general terms and conditions set out in any Bond Terms. If these general terms and conditions at any point in time no longer represent the correct understanding of the general terms and conditions set out in the Bond Terms, the Bond Terms shall prevail.

13.4.1 Use of proceeds

Use of proceeds will be specified in the Final Terms.

13.4.2 Publication

The Base Prospectus, any supplement(s) to the Base Prospectus and the Final Terms will be published on Issuer's website <https://remarkable.com>, or on the Issuer's visit address, Fridtjof Nansens vei 12, N-0369 Oslo, Norway, or their successor (s).

The Prospectus will be published by a stock exchange announcement.

reMarkable Invest AS, 27 September 2024

Base Prospectus

13.4.3 Redemption

Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of 18 May 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

13.4.4 Fees, Expenses and Tax legislation

The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the securities.

The Issuer shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.

13.4.5 Security Depository and secondary trading

The Bonds are electronically registered in book-entry form with the Securities Depository, see also the definition of "Securities Depository". Securities Depository is specified in the Final Terms.

Secondary trading will be made over an Exchange for Bonds listed on a marketplace. See also definition of "Market Making".

Prospectus fee for the Base Prospectus including templates for Final Terms is NOK 134,000. In addition, there is a listing fee for listing of the Bonds in accordance with the current price list of the Exchange. The listing fees will be specified in the Final Terms.

13.4.6 Status of the Bonds and Security

This guarantee agreement establishes a selvskyldnergaranti (self-liability guarantee), where each guarantor irrevocably and unconditionally assumes joint and several liability to ensure that the members of the group and debtors fulfill their obligations to the secured parties under the debt documents.

The guarantors commit to:

- Guarantee the punctual performance of all secured obligations.
- Pay any outstanding amounts immediately upon demand if any group member or debtor fails to do so.
- Indemnify the secured parties for any losses if any guaranteed obligations become unenforceable, invalid, or illegal.

The guarantee is limited to NOK 1.6 billion plus interest and costs.

a) The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application and save for the super senior status of the SSRCF to the extent and in the manner contemplated by the Intercreditor Agreement).

(b) The Bonds shall be secured by the Transaction Security pari passu with the other Secured Parties, subject to the super senior status of the SSRCF and any Permitted Hedging. The SSRCF Creditors and any hedge counterparty will receive (i) the proceeds from any enforcement of Transaction Security and the Guarantees and certain distressed disposals and (ii) any payments following any other enforcement event or at the time an

Acceleration Event (as defined in the Intercreditor Agreement) has occurred prior to the Bondholders (but otherwise rank pari passu in right of payment with the Bonds) in accordance with the waterfall provisions of the Intercreditor Agreement, subject to obligations which are mandatorily preferred by law.

13.4.7 Bond Terms

The Bond Terms has been entered into between the Issuer and the Bond Trustee. The Bond Terms regulates the Bondholders' rights and obligations in relations with the bond issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.

By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

reMarkable Invest AS, 27 September 2024

Base Prospectus

The Bond Terms will be attached to the Final Terms for each Bond issue and is also available through the Joint Bookrunner(s), Issuer and the Bond Trustee.

13.4.8 Legislation

The existing Bonds and any future Bonds will be created under Norwegian law. The Bond Terms is governed by and construed in accordance with Norwegian law. The Issuer and the Guarantors are subject to Norwegian legislation, the most relevant law for the Group's operations is the Private Limited Liability Companies Act, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations.

13.4.9 Approvals

The Bonds will be issued in accordance with the Issuer's Board of Directors approval.

The date of the Issuer's Board of Directors approval will be specified in the Final Terms

The Base Prospectus has been submitted to the Norwegian Financial Supervisory Authority (Finanstilsynet) before listing of the Bonds takes place.

Final Terms will be submitted to Finanstilsynet for information purposes in connection with an application for listing of a Bond Issue.

The Base prospectus will not be the basis for offers for subscription in bonds that are not subject to a prospectus obligation.

13.4.10 Restrictions on the free transferability of the securities

Any restrictions on the free transferability of the securities will be specified in the Final Terms.

13.5 Return and redemption

Bonds may have return and redemption mechanisms as explained below. The relevant Final Terms refer to these mechanisms and provide relevant parameter values for the specific bond issue.

13.5.1 Bonds with floating rate

13.5.1.a Return (interest)

The Interest Rate is specified in Interest Rate ii). Payment of the Interest Rate is calculated on basis of the Day Count Convention (b).

Interest Rate or Reference Rate may be deemed to be zero.

The period lengths are equal throughout the term of the Loan, but each Interest Payment Date is adjusted in accordance with the Business Day Convention. The Interest Rate for each forthcoming period are determined two Business Days prior to each Interest Payment Date based on the then current value of the Reference Rate plus the Margin.

The Interest Rate is paid in arrears on each Interest Payment Date. The first Interest Period runs from and including the Issue Date to but excluding the first Interest Payment Date. The subsequent Interest Periods run from and including an Interest Payment Date to but excluding the next Interest Payment Date. The last Interest Payment Date corresponds to the Maturity Date.

The relevant Reference Rate, the Margin, the Interest Payment Dates and the then current Interest Rate will be specified in the applicable Final Terms.

Interest calculation method for secondary trading is given by act/360, modified following.

13.5.1.b Redemption

Redemption is made in accordance with Redemption.

reMarkable Invest AS, 27 September 2024

Base Prospectus

13.5.2 Bonds with fixed rate

13.5.2.a Return (interest)

The interest rate is specified in Interest Rate (i). Payment of the the Interest Rate is calculated on basis of the Day Count Convention (a).

The Interest Rate is paid in arrears on each Interest Payment Date. The first Interest Period runs from and including the Issue Date to but excluding the first Interest Payment Date. The subsequent Interest Periods run from and including an Interest Payment Date to but excluding the next Interest Payment Date. The last Interest Payment Date corresponds to the Maturity Date.

The Interest Rate and the Interest Payment Dates will be specified in the applicable Final Terms.

Interest calculation method for secondary trading is given by act/365 for bond issue with fixed rate.

13.5.2.b Redemption

Redemption is made in accordance with Redemption.

13.6 Rating

Credit ratings have not been assigned to the Issuer or any of the Guarantors.

The Bonds have not been rated.

13.7 Final Terms

Template for Final Terms for fixed and floating bond issue, see Annex 2.

reMarkable Invest AS, 27 September 2024

Base Prospectus

Joint Lead Managers' disclaimer

ABG Sundal Collier ASA and DNB Bank ASA, the Joint Lead Managers, have assisted the Company in preparing the Base Prospectus. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Base Prospectus or any other information supplied in connection with the issuance or distribution of bonds by reMarkable Invest AS.

This Base Prospectus is subject to the general business terms of the Joint Lead Managers, available at their respective websites. Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Base Prospectus from utilizing or being aware of information available to the Joint Lead Managers and/or any of their affiliated companies and which may be relevant to the recipient's decisions.

Each person receiving this Base Prospectus acknowledges that such person has not relied on the Joint Lead Managers, nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 27 September 2024

ABG Sundal Collier ASA
(www.abgsc.com)

DNB Bank ASA
(www.dnb.no)

reMarkable Invest AS, 27 September 2024

Base Prospectus

Annex 1 Historical financial information

reMarkable Invest Group Q2 2024

reMarkable Interim Consolidated Financial Statements - Q1 2024

reMarkable Invest_Annual report FY23

reMarkable Holding Annual report 2023

reMarkable AS Annual report 2023

Revisjonsberetning reMarkable Invest Group

Audit Opinion reMarkable Holding AS – 2023

Audit Opinion reMarkable AS 2023

reMarkable

Interim Consolidated Financial Statements

Q1 2024



Words from the CEO

Strong start to 2024 driven by continued growth in third party retail sales

Coming off a strong 2023 I am pleased to report that we continue to reap the benefit of our expansion into third-party retail with close to 25% year-on-year growth for the first quarter of 2024.

Performance has been particularly strong in the US where Best Buy and Amazon have become important contributors. These are still relatively new channels for reMarkable and we believe there is a lot of potential for continued improvement as we gain more experience.

We continue to invest into developing new products and systems. During the quarter we transitioned to a new cloud-based ERP system (SAP) which is key to enable our growth ambitions and a tremendous achievement by the team. We also launched a pilot of the B2B version of our Connect subscription service - an important stepping stone towards providing more value for our business users in the years to come.

During February we moved into our new campus. This new, purpose-designed building has allowed us to bring together our employees from 4 separate locations - strengthening not only the reMarkable team culture but also improving our ability to collaborate and the speed at which we deliver value to our customers.

Finally, please note that we have for the full year of 2023 and onwards changed our accounting standard from Norwegian GAAP to IFRS and, as part of that, our functional currency to USD. This is a prerequisite for the upcoming listing of our Bond and a significant step forward in the sophistication of our financial reporting.

Best,

Phil Hess
CEO



Part 1

Executive summary



Q1 2024 highlights

Revenues

Robust growth in Q1 as reMarkable continues to grow into the retail channel while maintaining our strong position in the direct channel.

Gross margin

Gross margin for Q1 2024 is in-line with FY23 levels.

EBITDA

Q1 EBITDA of USD 5.8m is up year-over-year (31%). This is largely driven by increased revenues year-over-year.

Cash, Net Interest-Bearing Debt and Covenants

Despite an increase in EBITDA, Cash and cash equivalents has decreased compared to the previous financial year. This is primarily due to an increase in Working Capital which is partly expected to be reversed in Q2.

As at the end of the quarter reMarkable has a Net Interest-Bearing Debt³ position of USD 2.3m and is in compliance with all covenants⁴. Note that Net-Interest Bearing Debt has seen a large shift since the previous quarter, as the leases related to the new office (classified under IFRS 16) are now counted towards the calculation.

1) Consolidated financial statements are unaudited and have been prepared in accordance with IFRS 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.

2) In addition, 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	Q1 2024 ¹	Q1 2023 ¹	Year-over-year change
Total revenues	USD 86.5m	USD 69.7m	24%
Gross margin	42.6%	38.5%	4.1 pp.
EBITDA	USD 5.8m	USD 4.4m	31%
EBITDA margin	6.7%	6.3%	(0.4) pp.
Cash and Cash Equivalents ²	USD 71.8m	USD 93.5m	(23)%
Net Interest-Bearing Debt ³	USD 2.3m	USD (43.9)	USD 46m

Part 2

Interim Consolidated Financial Statements



Interim condensed statement of comprehensive income

USDm	Q1-24	Q1-23
Sales revenue	80.0	64.8
Subscription revenue	6.5	4.9
Total operating income	86.5	69.7
Cost of materials	(45.1)	(37.9)
Employee benefit expenses	(13.3)	(9.9)
Other operating expenses	(22.2)	(17.4)
Depreciation & amortisation	(3.4)	(2.1)
Operating profit/(loss)	2.4	2.3
Financial income	0.6	0.2
Financial expenses	(2.2)	(0.5)
Other financial gains/(losses)	(0.3)	(2.5)
Net financial result	(1.9)	(2.8)
Profit/(loss) before income tax	0.5	(0.5)
Income tax expense	(0.2)	0.1
Profit/(loss) for the period	0.3	(0.4)

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

USDm	Mar-24	Dec-23
Non-current assets		
Intangible assets	45.7	43.0
Property, plant and equipment	34.8	4.2
Net deferred tax assets	0.2	0.5
Other non-current financial assets	6.6	5.4
Total non-current assets	87.3	53.1
Current assets		
Inventories	43.1	42.1
Trade receivables	28.6	9.8
Other current assets	9.6	5.5
Cash and cash equivalents	71.8	93.5
Total current assets	153.1	150.8
Total assets	240.4	203.9

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

USDm	Mar-24	Dec-23
Share capital	0.3	0.3
Share premium	25.5	25.5
Retained earnings	29.3	29.0
Other equity	2.1	2.1
Total equity	57.2	56.9
Borrowings	46.3	47.7
Lease liabilities	26.0	-
Non-current provisions	0.0	-
Total non-current liabilities	72.4	47.7
Trade and other payables	37.8	32.8
Lease liabilities (current portion)	1.8	0.1
Borrowings	-	1.3
Current tax liabilities	3.8	4.5
Current provisions	2.4	2.1
Other current liabilities	64.9	58.3
Total current liabilities	110.8	99.2
Total equity and liabilities	240.4	203.9

Interim condensed consolidated statement of cash flows

USDm	Q1-24	Q1-23
Profit/(loss) before income tax	0.5	(0.5)
Adjustments for:		
Depreciation & amortization	3.4	2.1
Net financial income and expenses	1.6	0.4
Net foreign exchange differences	(5.5)	(0.7)
Working capital changes	(12.3)	(8.2)
Interests received	0.6	0.2
Net cash flow from operating activities	(11.8)	(6.7)
Net cash flow from investing activities	(7.5)	(6.0)
Net cash flow from investing activities	(2.6)	(2.2)
Net increase/(decrease in cash and cash equivalents	(21.7)	(14.9)
Cash and cash equivalents at beginning of period	93.5	52.6
Cash and cash equivalents at end of period	71.8	37.7

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	-	-	(0.4)	-	(0.4)
Balance at 31 March 2023	0.3	25.5	8.2	2.1	36.1
Balance at 1 January 2024	0.3	25.5	29.0	2.1	56.9
Profit/(loss) for the period	-	-	0.3	-	0.3
Balance at 31 March 2024	0.3	25.5	29.3	2.1	57.2

Part 3

Notes to the interim consolidated financial statements



Notes to the Interim Consolidated Financial Statements

1. Corporate Information

These interim condensed consolidated financial statements of reMarkable Invest AS, for the 3 month period ended 31 March 2024, were authorized for issue in accordance with a resolution of the board of directors on 28 May 2024.

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 for the 3 months period ended 31 March 2024 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.

The Group has applied consistent accounting policies with respect to the 2023 annual financial statements. For the interim periods, income tax expense is recognised 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 quarter of 2024, the applied effective tax has been 32% (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.

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.

All amounts are presented in USD thousand unless otherwise stated.

These condensed interim consolidated financial statements are not audited.

Notes to the Interim Consolidated Financial Statements

3. Revenue from contracts with customers

USDm	Q1-24	Q1-23
Revenue by major class of products		
Sales of devices and accessories (point in time)	80.0	64.8
Sale of subscriptions (over time)	6.5	4.9
Total revenue from contracts with customers	86.5	69.6

4. Intangible assets

The additions during the first quarter of 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.

Towards the end of the first quarter of 2024, the Group successfully completed significant parts of its enterprise resource planning (ERP), supply chain and customer management systems' implementation, and therefore the Group expects an increase in amortization during the second quarter of 2024 onwards.

Notes to the Interim Consolidated Financial Statements

5. Leases

At the beginning of the first quarter 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 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 contract does not contain variable lease payments and it is updated in accordance with 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 amounts presented in the consolidated statements of financial position and performance.

6. Events after the reporting period

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

reMarkable Invest Group

Interim Financial Report Q2 | 2024

reMarkable

Words from the CEO

While we continue to see good market growth for paper tablets, in Q2, we missed our revenue forecast. A combination of factors contributed to this including: a shifting revenue mix away from direct-from-reMarkable to resellers, a transition to a new reseller distributor to better manage that transition, and competitor discounting.

Combined with several one-off adjustments from last year, the result was that, despite moderate unit volume growth, revenues declined by around 8% on a YoY basis.

Considering the investments we've been making, we expect a significant increase in demand in Q3 and especially Q4. In preparation for this growth, we completed the implementation of SAP as our new ERP. This will serve us well as we continue to drive growth and overall consumer adoption of paper tablets.

Best,
Phil Hess
CEO



1

Executive summary

Q2 2024 highlights

Revenues

Year-on-year decline of 8% partially driven by one-off impact of Type Folio launch last year, continued shift in our channel mix as well as a reconfiguration of our reseller distribution which has slowed down order intake towards summer (we expect this to pick up again in the fall).

Unit volume was up by 6% over the same period.

Gross margin

Gross Margin has remained relatively stable at 44%. Note that under IFRS, customs and duties are no longer reported on our P&L, which has increased our reported Gross Margin by approx. 3% in this quarter relative to how it would previously have been reported under NGAAP.

EBITDA

Year-on-year decline is primarily explained by lower revenues YoY as well as continued development of the organization and investment into product development.

Cash, Net Interest-Bearing Debt and Covenants

Our Cash balance declined by USD 5.3m during the quarter reflecting the continued investments into product development and system architecture.

As at the end of the quarter reMarkable has a Net Interest-Bearing Debt ³ position of USD 8.4m and is in compliance with all covenants ⁴.

Key figures	Q2 2024 ¹	Q2 2023 ¹	Year-over-year change
Total revenues	USD 71.7m	USD 77.9m	(8)%
Gross margin	44%	43%	1 pp.
EBITDA	USD 5.3m	USD 11.1m	(52)%
EBITDA margin	7.4%	14.3%	(6.9) pp.
Cash and Cash Equivalents ²	USD 66.5m	USD 37.8m	76%
Net Interest-Bearing Debt ³	USD 8.4m	USD (13.7)m	USD 22.1m

1) 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") comprise of the parent company, reMarkable Invest AS, and the fully-owned subsidiary and operating company, reMarkable AS.

2) In addition, 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

2

Interim Condensed Consolidated Financial Statements

Interim condensed consolidated statement of comprehensive income

USDm	Q2-24	Q2-23	1H-24	1H-23
Sales revenue	64.7	73.1	144.7	137.8
Subscription revenue	6.9	4.8	13.4	9.6
Total operating revenue	71.7	77.9	158.1	147.5
Cost of materials	(38.1)	(40.5)	(83.2)	(78.4)
Employee benefit expenses	(8.1)	(7.1)	(21.3)	(17.0)
Other operating expenses	(20.2)	(19.2)	(42.4)	(36.6)
Depreciation & amortisation	(4.1)	(2.3)	(7.5)	(4.4)
Operating profit/(loss)	1.2	8.9	3.6	11.2
Financial income	0.5	0.1	1.2	0.3
Financial expenses	(2.2)	(0.4)	(4.4)	(1.0)
Other financial gains/(losses)	1.4	2.4	1.2	(0.1)
Net financial result	(0.2)	2.1	(2.1)	(0.7)
Profit/(loss) before income tax	1.0	11.0	1.5	10.5
Income tax expense	0.2	(2.7)	(0.0)	(2.6)
Profit/(loss) for the period	1.2	8.3	1.5	7.9

Interim condensed consolidated statement of financial position

(1/2)

USDm	Jun-24	Dec-23
Non-current assets		
Intangible assets ⁴	51.9	43.0
Property, plant and equipment	34.9	4.2
Net deferred tax assets	0.5	0.5
Other non-current financial assets	6.7	5.4
Total non-current assets	93.9	53.1
Current assets		
Inventories	121.3	42.1
Trade receivables	13.4	9.8
Other current assets	9.0	5.5
Cash and cash equivalents	66.5	93.5
Total current assets	210.1	150.8
Total assets	304.0	203.9

Interim condensed consolidated statement of financial position

(2/2)

USDm	Jun-24	Dec-23
Share capital	0.3	0.3
Share premium	25.5	25.5
Retained earnings	30.5	29.0
Other equity	2.1	2.1
Total equity	58.4	56.9
Borrowings	45.8	47.7
Lease liabilities ⁵	25.9	-
Non-current provisions	0.0	-
Total non-current liabilities	71.8	47.7
Trade and other payables	27.8	32.8
Lease liabilities (current portion) ⁵	1.9	0.1
Borrowings	1.2	1.3
Current tax liabilities	3.5	4.5
Current provisions	1.2	2.1
Other current liabilities ⁶	138.1	58.3
Total current liabilities	173.8	99.2
Total equity and liabilities	304.0	203.9

Interim condensed consolidated statement of cash flows

USDm	H1-24	H1-23
Profit/(loss) before income tax	1.5	10.5
Adjustments for:		
Depreciation & amortization	7.5	4.4
Net financial income and expenses	3.2	0.7
Net foreign exchange differences	(3.1)	(0.2)
Working capital changes	(14.6)	(26.0)
Income tax Paid	(0.7)	(0.8)
Interests received	1.2	0.3
Net cash flow from operating activities	(5.0)	(11.0)
Expenditures on intangible assets	(12.5)	(10.6)
Payment of deposits	(1.7)	-
Expenditures on PPE	(2.7)	(0.6)
Net cash flow from investing activities	(16.9)	(11.2)
Interests paid	(4.3)	(0.9)
Cash receipt from borrowings	-	9.0
Principal portion of lease liabilities	(0.9)	(0.5)
Group contribution	-	(0.1)
Net cash flow from investing activities	(5.2)	7.5
Net change in cash & cash equivalents	(27.0)	(14.8)
Cash and cash equivalents BoP	93.5	52.6
Cash and cash equivalents EoP	66.5	37.8

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	-	-	7.9	-	7.9
Group contribution	-	-	(0.1)	-	(0.1)
Balance at 30 June 2023	0.3	25.5	16.4	2.1	44.3
Balance at 31 December 2023	0.3	25.5	29.0	2.1	56.9
Profit/(loss) for the period	-	-	1.5	-	1.5
Balance at 30 June 2024	0.3	25.5	30.5	2.1	58.4

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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 second quarter and six month period ended 30 June 2024, were authorized for issue in accordance with a resolution of the board of directors on 29 August 2024.

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 for the second quarter and six month period ended 30 June 2024 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.

The Group has applied consistent accounting policies with respect to the 2023 annual financial statements. 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 half-year of 2024, the applied effective tax has been 1% (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.

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.

All amounts are presented in USD million unless otherwise stated.

These condensed interim consolidated financial statements are not audited.

Notes to the Interim Condensed Consolidated Financial Statements

3. Revenue from contract with customers				
USDm	Q2-24	Q2-23	1H-24	1H-23
Revenue by major class of products				
Sales of devices and accessories (point in time)	64.7	73.1	144.7	137.8
Sale of subscriptions (over time)	6.9	4.8	13.4	9.6
Total revenue from contracts with customers	71.7	77.8	158.0	147.4

4. Intangible assets
The additions during the first half of 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 successfully completed significant parts of its enterprise resource planning (ERP), supply chain and customer management systems' implementation, and therefore the Group started amortizing those assets.

Notes to the Interim Condensed Consolidated Financial Statements

5. 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 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 contract does not contain variable lease payments and it is updated in accordance with 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 amounts presented in the consolidated statements of financial position and performance.

6. Other current liabilities
The increase in other current liabilities mainly relates to inventory commitments at 30 June 2024, amounting to USD 93 million. The level of inventory commitments is considered normal within the Group's ordinary course of business.

Notes to the Interim Condensed Consolidated Financial Statements

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

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DIRECTOR'S REPORT | REMARKABLE INVEST GROUP

Operations and locations

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.

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

The Group distributes its products in over 50 countries, with North America and Europe being the largest markets. The majority of sales originate through reMarkable's own web shop, whereas sales via third parties make up an increasing proportion of revenues as part of the Group's distribution channel strategy. Production is conducted primarily in China, with distribution from warehouses in Hong Kong, the Netherlands, Lithuania and Mexico.

Letter to stakeholders

2023 has been an outstanding year for reMarkable. We embarked on a highly successful retail sales roll-out and unveiled our new product offering, the Type Folio. In addition, we have expanded our software ecosystem – making progress on a seamless workflow and better thinking across all your devices. During the year, we have also continued to scale the organization, investing heavily into new product development while making substantial improvements to our operating model.

reMarkable 2 continues to lead the paper tablet category, and during Q4 we crossed the threshold of more than 2 million paper tablets sold since the launch of reMarkable 1. This is a testament to the strength of our brand and value proposition of the product. Word-of-mouth recommendations remain one of our most important sales-drivers, and this gives us continued confidence that we are barely scratching the surface of a very large addressable market. Our Connect subscription offering provides a unique platform on which to continuously add more value to the reMarkable user experience. With a rapidly growing base of nearly 700,000 subscribers as of year-end, this will be a core area of investment in the years ahead.

These notable accomplishments have provided the foundation for our strong financial performance in 2023. Considering the macroeconomic headwinds in consumer electronics, we are especially proud of the results – relying on excellence in execution. As part of this work, and to prepare us for future growth, we have implemented a management system that is focused more strongly on goals and outcomes. To ensure our IT system technology needs can scale with our growth, we have implemented a cloud-based ERP system (SAP). Over time, we believe that these initiatives will allow us to keep growing at significant rates while demonstrating economies of scale due to significant operational efficiencies.

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Ultimately, the value we add to our customers will determine our rate of growth. Both to attract new customers and to serve our existing customers better, we introduced the Type Folio, a slim keyboard that elegantly attaches to reMarkable 2. The launch was accompanied by mobile and desktop applications that enable users to capture critical notes when our tablet is not the most convenient option. For on-the-go and at-the-desk notes, users can capture ideas, no matter where they are or what device they are working on – fully integrated with our tablet.

In mid-October, reMarkable completed a NOK 500m Norwegian bond issue, which marked our first entry into public capital markets. This additional financing strengthens our ability to develop and commercialize new products. As we grow, especially with third-party retail sales, the bond proceeds will help with increased working capital needs. The bond will be listed on the Oslo Stock Exchange during the second half of 2024 and as a consequence of this we have changed our accounting standard from Norwegian Generally Accepted Accounting Principles (NGAAP) to the International Financial Reporting Standard (IFRS) while also changing our functional and reporting currency to US Dollars.

While we are proud of what we accomplished last year, we are depending on our employees to deliver even more in the coming years. I continue to be impressed with the dedication of the team, and I am optimistic that we can create significantly more business value as we align the team to our business strategy and focus on employee engagement.

Our employees are the source of our value creation. However, it will be our customers who ultimately judge the value of our work. I see opportunities for us to place the customer at the center of everything that we do. This means relentlessly focusing on the end-to-end customer experience so they both love us and tell their friends about us. With employees enabled to create and deliver more value, and with a more customer-centric culture, we can continue on the successful path that those who came before me have started.

Best,

Phil Hess

Chief Executive Officer

Financial performance

Revenue

Total revenues for 2023 amounted to USD 338m, which corresponds to a 27% year-over-year improvement. The robust topline growth was primarily driven by a highly successful retail roll-out in North America during the second half, as well as continued strong performance in key markets.

- The expansion of our product offering through the launch of Type Folio and the related device-agnostic reMarkable ecosystem was well received by customers, with a high degree of upselling to existing users
- Our subscription offering, Connect, has seen healthy annual recurring revenue (ARR) growth on the back of positive free-to-paying conversion development in the second half of the year. This follows the value proposition change in 2022, where the free trial period was extended

reMarkable Invest Group and reMarkable Invest AS

in July 2021 (from 100 days to 1 year) in combination with a lower price point from mid-September (monthly price reduced from \$7.99 to \$2.99)

- In Q4, we began to see the full commercial effects of having a multichannel presence, leading us to record the best peak season in reMarkable's history

Cost of materials

Net Margin after Cost of Materials for 2023 amounted to USD 162m, representing a 21% increase from the USD 134m achieved in 2022. After cost of materials, the margins reflected a healthy 48% and 50% respectively. The 2 pp. decline is partly explained by return provisioning on the back of a changed sales mix along with costs incurred as remarkable continues to expand into a new sales channel.

EBITDA

EBITDA came in at a record high of USD 38m, compared to USD 4m for 2022 (896% year-over-year growth). The robust performance comes as a result of increased revenues in combination with a relative reduction in sales and advertising expenditure (as a % of revenue). This positive development offsets the ramp-up in the operating cost base to support reMarkable's continued development of new products and markets.

Research and development

Development costs are related to improvements made on existing products and development of new products, accessories and software amounted to a total of USD 16.5m during 2023 (2022: USD 13.5m).

Additions to software during 2023 and 2022 are mainly related to the enterprise resource planning (ERP), supply chain and customer management systems' implementation. The Group performed significant integrations between the systems to enable proper data flows between the aforementioned systems, and other systems held the Group. Total expenditure for these projects, excluding ongoing costs to access to the cloud systems, amounted to USD 7.2m in 2023, and an additional USD 4.2m in 2022. Out of these amounts, the Group capitalized as part of its intangible assets USD 5.4 million in 2023, and USD 1.4 million in 2022.

Cash flow from investing activities

Cash flow from investing activities of USD (25)m in 2023 versus USD (24)m in 2022, reflects reMarkable's continued commitment to innovate and create compelling user experiences, and comprise primarily of development expenditure in line with product roadmaps.

Cash flow from financing activities

Net cash flow from financing activities of USD 27m in 2023 largely represents the remaining proceeds from the NOK 500m bond issue post repayment of existing bank debt.

Liquidity

As at year-end 2023, the reMarkable Group held USD 93m in cash and equivalents, compared to USD 53m for 2022. The strong liquidity improvement has been achieved through the positive financial results, positive net working capital changes along with the proceeds from the bond issue.

reMarkable's net cash position was USD 44m at year-end 2023. Last year the comparable position was USD 38m.

*reMarkable Invest Group and reMarkable Invest AS***Equity**

Equity at year-end amounted to USD 57m, reflecting an equity ratio of 28% In 2022 equity came in at USD 37m with a corresponding equity ratio of 30%. The 2 pp. year-over-year decline is largely explained by the inaugural NOK 500m bond issue in October 2023.

Financial risks**Input factors**

As a provider of consumer electronics, reMarkable is exposed to the possibility of global shortages of production components. Global shortages may be due to a variety of reasons, such as the recent Covid-19 pandemic or other geopolitical events that have an adverse effect on operations.

Political, social or economic instability in Asia where the Group's suppliers' manufacturers are located, or the imposition of additional trade law provisions, regulations, duties, tariffs and other charges affecting imports and exports, could cause disruptions in trade or increase costs, including with regard to exports to EU, UK or US.

To counter sourcing complexities, reMarkable has a dedicated team that collaborates directly with suppliers throughout our value chain and regularly takes strategic measures to ensure access to critical input factors and priority with suppliers. The latter may on a regular basis require us to maintain a significant inventory of finished goods and critical longlead components, which increases the Group's working capital needs.

Liquidity risk

reMarkable manages its liquidity risk by regularly monitoring its liquidity needs for working capital, and strategic investments, both for short-term and long-term needs, and periodically updates estimations through rolling forecasts.

During the year we completed a NOK 500m bond issue, which will strengthen the Groups ability to develop and commercialize new products as well as help with increased working capital needs following the growth in third-party retail. Moreover, reMarkable has access to additional sources of liquidity, from its supply chain financing facility, another multifunctional currency line, and potential tap issues through its bond.

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

Market risk

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

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

Credit risk

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

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Group assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the retail segment, the 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.

Forex exchange risk

The Group sells its products in multiple countries with pricing in local currencies. While the majority of sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Group's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be nominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Group's profitability as a stronger NOK will increase the Group's fixed cost base and vice versa. reMarkable has short term contracts with retailers and distributors where underlying sales also provide for foreign exchange terms.

Other

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

Work environment, equal opportunity and discrimination

The work environment at reMarkable is considered to be good. The Group has a Workplace Environment Committee (Nw. AMU), an employee representative, and a safety representative, as well as established routines for safeguarding and protecting the rights and needs of its employees. Practices to make sure the workplace is accessible and inclusive are regularly implemented, communicated, and reviewed. Measures and routines to ensure sound working conditions have been initiated, as well as measures to preserve employee mental health, motivation, and general well-being. Total sick leave in 2023 was 2.8% 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 2023, the Group consisted of 37% women and 63% men. For more

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information on this topic, we refer to our report on equality that is published on our career page, remarkable.com/careers. The report details our current gender equality status on a set of parameters, an assessment of potential risks for discrimination or obstacles to equality, as well as a look at what we have done so far and plan to do in the future to improve diversity and equality.

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

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

Environmental and community responsibility

Maximizing positives, minimizing negatives

To reMarkable, better thinking involves acknowledging that everything we do impacts the world around us. We strive to maximize our positive impacts, while minimizing the negative ones. Our impact reporting for 2023 will provide a status on our work on implementing sustainability and some thoughts on where we plan to continue our journey.

The consumer electronics space has seen some major market trends in 2023. Some of the most notable are geopolitics, the European Union's (EU) role, transparency and growing customer preferences towards sustainable brands. Geopolitics are intensifying sustainability aspects role as a key strategic and financial focus for all organizations. Examples of this include energy security and access to scarce minerals. The EU requires companies to adopt practices on sustainability reporting, product durability and quality, leading to significant systemic improvements.

Our customers, particularly younger generations, are showing an increasing preference for Our customers, particularly younger generations, are showing an increasing preference for sustainable brands with clearer morals and values, but without compromising on convenience and functionality. At the same time, supply chain transparency is accelerated through a wide range of national regulations in different markets, such as the Norwegian Transparency Act and the US Uyghur Forced Labor Prevention Act.

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

*reMarkable Invest Group and reMarkable Invest AS***Sustainability governance***A new framework for sustainability management*

The EU has launched its Corporate Sustainability Reporting Directive (CSRD), mandating companies to report on their most important - or material - sustainability matters, document their sustainable transformation, clear governance and time-bound targets related to their material sustainability areas. This greatly increases the expectations for how companies should work and integrate sustainability areas like climate, human rights and circular economy into their business and value chain.

reMarkable is working to be CSRD ready. This is a demanding journey, requiring large efforts of our entire organization. To start off on the right track, reMarkable mapped the most material sustainability areas during the fall of 2023 through a double materiality assessment. This is, in all essence, a prioritization of sustainability areas going ahead. We are working in collaboration with our business partners and suppliers to find the right long-term solutions for our business and value chain.

Governance structure

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

The execution and monitoring of the activities related to sustainability is being conducted by the relevant functions and departments within the organization. reMarkable strives to integrate sustainability and responsibility into our business practices.

In 2023 reMarkable has mapped the Group's policies and procedures related to management of our most important sustainability topics. We updated our Supplier Code of Conduct, and our Anti-Corruption Policy, and shared our findings of relevant impacts, risks and opportunities with the management team.

Through 2024, we will further develop our sustainability governance and provide training for our employees to create understanding of how these policies can be implemented into their everyday work. Becoming aligned with the CSRD framework will support reMarkable's work on compliance and help us meet expectations of our stakeholders. This will continue to be a priority through 2024.

Our main impact*The double materiality assessment*

The double materiality assessment was conducted in four phases; understand, identify, evaluate and decide.

Understand: we gathered information to understand reMarkable's sustainability context, assessing reports from industry experts on sustainability, reMarkable's value chain, peers and other relevant sources. This resulted in a list of potential sustainability areas for further analysis.

Identify: Next, we described how reMarkable's activities could impact these sustainability areas, or how these sustainability areas could present risks or opportunities to reMarkable.

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Evaluate: In total, we established causal links for 95 different impacts, risks and opportunities. This step makes it possible to compare different sustainability topics against each other, as for example comparing the impact of pollution from manufacture on one side, to breaches of consumer privacy on the other.

Decide: After giving each impact, risk or opportunity a magnitude, we decided on a threshold for these to be considered material, or not material. This process output was an impact scoring, and finally resulted in identifying the most material sustainability topics for reMarkable.

Some of the topics we identified as most material are climate change mitigation, anti-corruption, resource use and circular economy, information security, and human rights in our value chain. Most of the impacts, risks and opportunities reMarkable face as a company, takes place throughout our value chain.

Circularity

We strive to minimize the lifetime impact of our products and services, making everlasting products and services that can pass through multiple life cycles, using recycled and reused materials produced with renewable energy. Re-using products is one of the most efficient methods to reduce the environmental impact of a product. Due to this, reMarkable is focusing on extending the lifetime of our reMarkable 2 device by both conducting refurbishment and repair. Refurbishment would mean that when a used device is returned from a customer, the device is tested according to the same quality requirements as a new device, re-packed and re-sold to another customer or used as a replacement product.

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

Product	Number units in 2022	Number units in 2023
reMarkable 1 (devices) recycled	869	0
reMarkable 2 (devices) recycled	0	6 398
reMarkable 2 (devices) refurbished	11 698	18 957
reMarkable 2 (devices) repaired	7 583	25 783

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

Other achievements related to circularity include:

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- All packaging is 100% recyclable
- Battery longevity: The device battery retains 80% of the total capacity after being charged 500 times, ensuring a long life cycle.

We will continue to work with circularity in 2024. The work will include setting and implementing strategies to promote circular outcomes, and spans across material usage in our products to efficient repair and refurbishment solutions.

Social impact

As a company with a global value chain, it is critical to be aware of the impact we have on the societies around and workers in our value chain activities. Therefore, we believe in close collaboration with our suppliers and stakeholders. We work with our suppliers to define goals and actions that support our efforts towards sustainability, and have continuous dialogue with them to provide support and feedback.

Supply chain

When we choose suppliers, through the Request for Proposal (RFP) processes, potential suppliers are evaluated based on their capabilities within sustainability, and sustainability commitments are defined as part of our process. We aim to work with suppliers sharing our values and concerns for the future.

reMarkable is taking several steps to ensure that human rights and decent working conditions are respected throughout the supply chain, all the way down to raw material sub-suppliers. We have prioritized work on three main areas in 2023.

Supplier Code of Conduct: Our Supplier Code of Conduct addresses topics such as labor rights, health and safety, environment and ethical governance. We have updated the policy to reflect our efforts and expectations we have to the suppliers. During 2023 and continuing into 2024, we are working to ensure that all direct first tier suppliers¹ understand and sign the Group's Supplier Code of Conduct, and commit to work with suppliers tiers²⁻ⁿ to ensure they, at a minimum, follow the same standard. Not accepting the Supplier Code of Conduct would disqualify a supplier in a RFP process.

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

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

¹ Tier¹ suppliers refer to those with whom we maintain a direct financial relationship, whereby transactions are conducted directly with them.

reMarkable Invest Group and reMarkable Invest AS

Besides the aspects required by Norwegian law, we also assess the risk in our value chain on corruption, political stability, LGBTI rights and gender equality. Findings from our work is published on reMarkable.com, and updated annually².

KPI description	2022	2023
First tier direct suppliers signed Supplier Code of Conduct (%)	100	100
First tier direct suppliers that have completed information related to the Norwegian Transparency Act (%)	100	100

We will continue to collect relevant data from direct suppliers in tiers 2-n and our indirect suppliers in 2024, and to conduct subsequent risk assessments on their social impacts. Based on these risk assessments, we will make a plan on how to reduce the risks of our value chain contributing to violation of fundamental human rights and decent working conditions. During the year we will define KPIs and set short- and long-term targets for this work

Climate change

Greenhouse gas emissions are another key impact the consumer electronics industry has on the world. In recognizing this we have mapped our GHG emissions for our organization's own operations and for our products. We now have emissions data from 2021 until 2023, and are gradually improving data quality and completeness of our GHG inventory.

The results reflect an expanded scope of different emissions categories included in the accounting 2023. We have captured more of our relevant emissions categories and data sources than in previous years³. In the report below, reMarkable's offices in Oslo and our business travel, the downstream transportation of products, the production of products, the usage and end-of-life treatment of the sold products is included⁴.

GHG Accounts 2021-2023

Scope ⁵	Description	Emissions in tonnes CO ₂ eqv			
		2021	2022	2023	% change
Scope 1	Scope 1 total	-	-	-	-
Scope 2	Scope 2 total (location)	4.0	4.9	6.3	29%
	Electricity - market	88.2	49.8	61.7	24%
	Electricity - location	1.8	1.4	2.3	64%

² See <https://remarkable.com/transparency-act> for our Transparency Act report

³ This analysis is based on the operational control aspect that defines what should be included in the carbon inventory, as well as in the different scopes.

⁴ The input data is based on internal and external data sources, converted into tonnes CO₂-eq. The analysis is based on the Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol). This is the most important standard for measuring GHG emissions and was the basis for the ISO standard 14064-I.

⁵ Scope 1 are all direct emission sources where the organisation has operational control. Scope 2 are emissions from electricity and district heating purchased by the Group. Scope 3 are emissions related to the Group's value chain, and is not owned or controlled directly by the company.

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Scope ⁵	Description	Emissions in tonnes CO ₂ eqv			
		2021	2022	2023	% change
	District Heating - location	2.2	3.6	4.0	11%
Scope 3	Scope 3 total	32 403.8	26 433.3	40 122.7	52%
	Purchased goods and services	25 650.3	19 528.8	34 975.5	79%
	Fuel- and energy not included in scopes 1 and 2	1.9	2.3	2.9	26%
	Waste generated in operations	4.9	6.6	9.0	36%
	Business travels	1.2	n/a ⁶	376.6	-
	Employee commuting	5.7	13.9	36.9	165%
	Downstream transport	6 208.2	6 387	4 079.0	-36%
	Use of sold products	453.3	420.1	551.6	31%
	End-of-life treatment of sold products	78.3	73.7	91.2	24%
Sum	All emissions scopes 1, 2 & 3	32 408	26 438	40 129	52%

reMarkable does not have any scope 1 emissions, and only small scope 2 emissions related to energy use in our Oslo office. In 2023 we utilized four different office locations. The increase in scope 2 emissions is mainly due to an increased number of employees.

reMarkables main impact is from value chain activities, scope 3, with purchased products and services amounting to 87% of total emissions. The 52% increase from 2022 to 2023 in scope 3 is due to an increased amount of bought products and methodological changes in the emission factors used. The emissions factors used for this year's reporting are based on more primary data and product carbon footprints performed on the accessories. These two aspects combined entailed a higher emission for this category.

Downstream transportation and distribution, mainly consisting of air freight, represents 10% of the total emissions for 2023. Even though the number of sold units increased for 2023, the downstream transportation and distribution processes have undergone enhancements resulting in a reduction in transportation emissions. While the exact cause of this reduction is not explicitly determined, it is likely attributed to the concerted efforts towards sustainability initiatives and the improved logistical efficiency implemented by DHL. These efforts encompass various factors such as optimizing shipment weight, streamlining routes, and implementing eco-friendly transport modes.

Going forward, we will use the data collected as a baseline for setting climate targets and work to radically reduce our GHG emissions in the coming years.

⁶ The data for business travels in 2022 were not available, but we estimate them to be significantly higher than in 2021 due to increased number and distance of business travels

reMarkable Invest Group and reMarkable Invest AS

Parent company financial review

reMarkable Invest issued a bond denominated in NOK, for a nominal amount of NOK 500 million. Other than this there was immaterial operational activity in 2023.

The net loss for the year is booked against retained earnings in equity.

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.

reMarkable Invest Group and reMarkable Invest AS

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**Mikkel Andreas
Ektvedt**
Deputy Board member

Oslo (Norway)

28 May 2024

*reMarkable Invest Group and reMarkable Invest AS***CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>Amounts in USD thousand</i>	Notes	2023	2022
Revenue from contracts with customers	3.2	338 078	265 730
Total operating income		338 078	265 730
Cost of materials	6.1	(176 017)	(131 766)
Employee benefit expenses	3.3	(41 730)	(32 383)
Other operating expenses	3.4	(82 719)	(97 806)
Depreciation and amortization	4.1, 4.2, 5.4	(8 970)	(6 943)
Operating profit/(loss)		28 642	(3 168)
Financial income		1 538	206
Financial expenses		(3 559)	(1 719)
Other financial gains/(losses)		553	(2 199)
Net financial result	3.6	(1 468)	(3 711)
Profit/(loss) before income tax		27 174	(6 879)
Income tax expense	3.5	(6 635)	1 083
PROFIT/(LOSS) FOR THE YEAR		20 539	(5 796)
Net other comprehensive income/(loss)		-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		20 539	(5 796)

*reMarkable Invest Group and reMarkable Invest AS***CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>Amounts in USD thousand</i>	Notes	31 December 2023	31 December 2022	1 January 2022
ASSETS				
Non-current assets				
Intangible assets	4.2	42 967	25 160	13 735
Property, plant and equipment	4.1	4 186	5 610	5 345
Net deferred tax assets	3.5	497	2 750	946
Other non-current financial assets	5.2	5 415	5 477	462
Total non-current assets		53 065	38 997	20 488
Current assets				
Inventories	6.1	42 141	25 008	46 071
Trade receivables	6.2	9 758	2 608	6 254
Other current assets		5 453	4 567	7 669
Cash and cash equivalents	6.3	93 452	52 568	72 099
Total current assets		150 804	84 751	132 092
TOTAL ASSETS		203 869	123 748	152 580

reMarkable Invest Group and reMarkable Invest AS

<i>Amounts in USD thousand</i>	31 December 2023	31 December 2022	1 January 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital <i>5.8</i>	305	305	302
Share premium <i>5.8</i>	25 531	25 531	21 864
Retained earnings	29 017	8 593	15 557
Other equity	2 081	2 081	4 725
Total equity	56 934	36 510	42 447
LIABILITIES			
Borrowings <i>5.3</i>	47 748	-	-
Lease liabilities <i>5.4</i>	-	274	1 450
Non-current provisions <i>6.5</i>	-	154	170
Total non-current liabilities	47 748	428	1 620
Trade and other payables <i>6.4</i>	32 842	31 338	22 025
Lease liabilities (current portion) <i>5.4</i>	136	1 221	1 203
Borrowings <i>5.3</i>	1 337	14 379	25 528
Current tax liabilities	4 476	784	4 836
Current provisions <i>6.5</i>	2 090	873	717
Other current liabilities <i>6.4</i>	58 306	38 215	54 204
Total current liabilities	99 187	86 810	108 514
Total liabilities	146 935	87 238	110 134
TOTAL EQUITY AND LIABILITIES	203 869	123 748	152 580

reMarkable Invest Group and reMarkable Invest AS

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Chief executive officer

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**Mikkel Andreas
Ektvedt**
Deputy Board member

Oslo (Norway)
28 May 2024

reMarkable Invest Group and reMarkable Invest AS

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in USD thousand</i>	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		27 174	(6 879)
Adjustments for:			
Depreciation and amortization	4.1, 4.2, 5.4	8 970	6 943
Net financial income and expenses	3.6	1 669	694
Net foreign exchange differences		2 857	(303)
Working capital changes:			
Decrease (increase) in inventories		(17 133)	21 063
Decrease/(increase) in trade receivables, contract assets and prepayments		(8 036)	4 105
Change in trade payables, contract liabilities and other payables relating to operating activities		21 648	(6 480)
Change in provisions relating to operating activities		1 217	156
Changes in other receivables and payables		-	-
Income tax paid		(732)	(4 432)
Interests received		1 538	206
Net cash flow from operating activities		39 172	15 072
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Expenditures on intangible assets	4.1	(23 863)	(16 104)
Payment of deposits		62	(5 015)
Expenditures on property, plant and equipment	4.2	(1 490)	(2 529)
Net cash flow from investing activities		(25 291)	(23 648)
CASH FLOW FROM FINANCING ACTIVITIES:			
Payments of loans and borrowings	5.5	(14 379)	(25 528)
Interests paid	5.5	(1 980)	(902)
Cash receipt from borrowings	5.5	44 786	14 379
Payment of principal portion of lease liabilities	5.5	(1 309)	(1 079)
Proceeds from issuance of shares	5.8	-	3 670
Group contribution		(115)	(1 496)
Net cash flow from financing activities		27 003	(10 955)
Net increase/(decrease) in cash and cash equivalents		40 884	(19 531)
Cash and cash equivalents at the beginning of the period		52 568	72 099
Cash and cash equivalents at the end of the period		93 452	52 568

reMarkable Invest Group and reMarkable Invest AS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD thousand</i>	Share capital (section 5.8)	Share premium (section 5.8)	Retained earnings	Other equity	Total equity
Balance at 1 January 2022	302	21 864	15 556	4 725	42 447
Profit/(loss) for the year	-	-	(5 796)	-	(5 796)
Issue of ordinary shares	1	1 026	-	-	1 027
Registration share issuance from 2021	2	2 641	-	(2 643)	-
Group contribution	-	-	(1 167)	-	(1 167)
Balance at 31 December 2022	305	25 531	8 593	2 081	36 510
Balance at 1 January 2023	305	25 531	8 593	2 081	36 510
Profit/(loss) for the year	-	-	20 539	-	20 539
Group contribution	-	-	(115)	-	(115)
Balance at 31 December 2023	305	25 531	29 017	2 081	56 934

reMarkable Invest Group and reMarkable Invest AS

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SECTION 1 Group information and basis of preparation

This section includes information on corporate information, Group structure, basis of preparation and an overview of general accounting policies and critical accounting judgements and estimates in the Group.

1.1 Corporate information

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 (changed from Biermanns gate 6 in Oslo, Norway, in March 2024). The Company was registered on 17 November 2021 and founded on 27 October 2021.

These consolidated financial statements of reMarkable Invest AS for the year ended 31 December 2023, and comparative period for 31 December 2022, with date of transition to IFRS® on 1 January 2022, were authorized for issue in accordance with a resolution of the board of directors on 28 May 2024. These financial statements are to be approved by the annual general meeting in June 2024.

1.2 Basis of preparation

These consolidated financial statements have been prepared in accordance with the IFRS® Accounting Standards as adopted by the European Union (EU).

The financial statements are presented in USD and all amounts are rounded to the nearest thousand, unless stated otherwise.

These are the first consolidated financial statements prepared by the Group. Until the annual period ended 31 December 2022, the Group was exempted to produce consolidated financial statements, as its ultimate parent, reMarkable Holding AS produced consolidated financial statements.

These 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.

These consolidated financial statements have been prepared following the historical cost basis, with no material exceptions.

1.3 New standards and interpretations adopted by the Group and other changes in accounting policies

As required by IFRS 1, the Group has applied the same accounting policies for all periods presented in the financial statements (including financial position at date of transition to IFRS). These accounting policies are the ones including all standards, amendments and interpretations effective for the annual periods beginning on or after 1 January 2023.

1.4 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been

reMarkable Invest Group and reMarkable Invest AS

early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group's future reporting periods and foreseeable future transactions.

1.5 Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. Management believes the underlying assumptions are appropriate.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different when, and to the extent that, the uncertainty is resolved. These areas are as follows:

- capitalization of integrations and implementation costs incurred in cloud service contracts. See Note 4.2 for further details on this critical judgement.

1.6 Group structure

reMarkable Invest AS is the parent of the reMarkable Invest Group. The Company's purpose and business consists of owning shares in reMarkable AS, as well as issuing shares to reMarkable Employee Share Holding I AS (RESHI AS) through share issues for employees.

The Company owns 100% of the shares in reMarkable AS and is a subgroup that is part of the consolidated accounts of reMarkable Holding AS.

The reMarkable Invest Group is comprised of the following subsidiary:

Name of entity	Place of business / country of incorporation	Ownership interests by the Group (%)			Principal activities
		2023	2022	1 January 2022	
reMarkable AS	Norway	100	100	100	Operating company within the reMarkable Invest Group.

At 31 December 2023, the reMarkable Invest Group is owned by reMarkable Holding AS, which is its immediate and ultimate parent, holding 98% of its outstanding shares (and equal voting rights). reMarkable Holding AS also produces consolidated financial statements. See Section 5.8 for further details.

1.7 Significant transactions and events during the reporting period

The main transactions and events in relation to the Group are the following ones:

Transactions and events	Disclosure notes
The Group issued a bond denominated in NOK, for a nominal amount of NOK 500 million.	Sections 5.1 and 5.3

Other than those noted above, the Group has presented the material information of its financial position, highlighting any material changes, policies, judgements and estimates in the Group for the period presented.

SECTION 2 Summary of general accounting policies, estimates and judgements

Overview

This section includes an overview of the general accounting policies, which are those that do not relate to a specific line item in the financial statements, and it also includes reference to any significant judgements and estimates used when applying the Group's accounting policies.

2.1 Consolidated financial statements

The consolidated financial statements of the Group include those of reMarkable Invest AS and its wholly owned subsidiary reMarkable AS.

As indicated in the basis of preparation (see Section 1.2), these are the first consolidated financial statements by the Group, and therefore the reMarkable Invest Group has performed consolidation for comparative periods following the general consolidation rules under IFRS 10.

2.2 Foreign currency

2.2.1 Functional currency

The reMarkable Invest Group presents its financial statements in USD, which is also the functional currency of the companies within it.

Accounting judgements – determination of functional currency

Management has assessed the functional currency of reMarkable AS. Based on an analysis of its primary indicators (i.e., sales and operating expenses), it is concluded that the dominating currency is USD. This is mainly supported by degree of sales nominated in USD with respect to other currencies, the competitive force of the US in these markets, and the vast majority of production costs of inventory being nominated in USD.

For reMarkable Invest AS (Holding company in the Group) it is concluded that this company has no activities of its own (other than holding financing) and therefore it is regarded as an extension of its subsidiary, reMarkable AS.

The Group will reassess the functional currency of the Company when there is a change in events and conditions which determine the primary economic environment assessment.

2.2.2 Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition, at the spot rate at which the transaction qualifies for recognition under IFRS, unless applying average rates for the month would give a fair approximation to using the actual rates. For monetary items, the difference between the spot exchange rate at reporting date (or settlement date) and initial rate is recognized in the consolidated statement of comprehensive income, at each reporting date and until the moment of the settlement.

Non-monetary items are translated using the rates at initial recognition.

2.3 Statement of cash flows

The reMarkable Invest Group presents interests paid in financing activities whereas those received are presented in its operating activities.

reMarkable Invest Group and reMarkable Invest AS

2.4 Government grants

The reMarkable Invest Group has received approval of two “SkatteFUNN” projects for the period of 2021-2023.

Both for 2023 and 2022 the sum of the funding for the projects was NOK 4 750 thousand (equivalent to USD 467 thousand and USD 482 thousand, respectively), which has reduced capitalized development in the consolidated statement of financial position and will be subsequently recognized to profit or loss through reduced depreciations.

SECTION 3 Results of the year

Overview

This section includes disclosures in relation to the financial performance of the Group over the periods presented, including those relating to financing activities.

3.1 Segment information

reMarkable's business is to develop, market, and sell consumer electronics products termed 'paper tablets', as well as associated accessories.

Operating segments are components of the Group regularly reviewed by the chief operating decision maker ("CODM") to assess performance and be able to allocate resources. The CODM in reMarkable is the board of directors. The reMarkable Invest Group as a whole is operated as a single segment. See note 3.2 for a disaggregation of revenue based on the major class of products in the Group.

During 2023, revenues from one of the Group's customers amounted to more than 10% of the Group's total revenues, totaling USD 48 million.

Revenue from external customers in Norway amounted to 0.7% (2022: 0.8%), and non-current assets to USD 40 million (2022: USD 29 million). Non-current assets held by the Group outside Norway are mainly located in Hong-Kong and constitute production machinery.

The only individually material country in terms of revenue for the Group is the United States of America, where the Group obtained USD 176 million of its revenue during 2023 (2022: USD 158 million). Revenue is attributed geographically based on the location of the Group's customers.

3.2 Revenue from contracts with customers

3.2.1 Ordinary activities of the Group

reMarkable Invest Group's ordinary activities are to sell consumer electronics products termed 'paper tablets', associated accessories and subscriptions to its cloud-based solution, for value-added content and services, such as improved connectivity and additional storage space.

The majority of revenue from contracts with customers arise from the sale of the reMarkable device and its accessories from both the reMarkable website (directly to end-user) and through retailers and distributors.

During the periods presented in the financial statements, the Group's sales of tablets included the right for users access to the subscription offering (Connect) for up to one year, extended warranty period and extended return period. Services mentioned other than access to cloud cannot be obtained separately from the purchase of a tablet.

The Group's revenue can be disaggregated based on lines of product considering mainly the nature and uncertainties within each of these categories.

Accounting policies

Identification of contracts with customers and performance obligations

The Group acts as a principal on the sale of its products to customers. Two performance obligations are broadly identified in the Group: goods (mainly tablets and accessories) and access to cloud-based solutions (bundled or not with additional services).

Performance obligations for the sale of goods are satisfied at a point in time, mainly based on when risks are transferred to customers, when there is right to payment, and physical delivery has been completed in accordance with contractual terms (incoterms or otherwise stated). This means

reMarkable Invest Group and reMarkable Invest AS

that the Group typically recognized revenue upon delivery to end customers, or upon delivery in accordance with incoterms (typically DAP and DDP) to the retailers or distributors.

Services provided by the Group are satisfied linearly over the service period time, including those relating to extended warranty (service-type warranties). For service performance obligations associated with the sale of tablets, the Group applies the standard to its portfolio of performance obligations, as the Group reasonably expects that effects from applying the portfolio approach would not differ materially from the application on a contract-by-contract basis.

Goods delivered by reMarkable are typically prepaid when sales are directly made to end customers, and it ranges between 10 to 30 days after invoice date for retailers and distributors.

Transaction price

Irrespective of the sales channel, the transaction price for the sale of goods includes a variable element from the expected returns by customers (see Section 6.4 for further disclosures). Goods sold with a right of return are recognized as 'refund liabilities' within 'other current liabilities', with a corresponding decrease in revenue for the period. The right-of-return asset ('return assets') is recognized as 'other current assets' with a corresponding decrease in the 'cost of materials' of the Group.

For countries where taxes and duties on imports are included in final price to customers, the Group has applied judgement and concluded that it acts as an agent for such amounts, and therefore presents revenue net from payments to tax authorities. Judgement considered factors triggering the payment of the tax, risks held by reMarkable and the tax being based on sales price of the good.

The Group typically incurs payments to its customers for placement services (physically or in its clients' own sites, analogous to slotting fees) as a reduction in revenue. Otherwise, the Group recognizes consideration to customers in the same way as normal purchase of services, and typically include content creation and optimization.

The transaction price for the sale of goods and services in the Group also contains elements of variable consideration such as sales bonuses, discounts and rebates, which are recognized as reductions of revenue based on the expected values, but for which the Group considers no significant judgements or estimates are involved.

Allocation of transaction price to performance obligations

As indicated above, sales of tablets include some attached services. The Group estimates the value of the attached services mainly by reference to their market prices when sold separately.

reMarkable Invest Group and reMarkable Invest AS

3.2.2 Revenue disaggregation

Revenue by major class of products	2023	2022
<i>(Amounts in USD thousand)</i>		
Sales of devices and accessories (point in time)	320 780	249 400
Sale of subscriptions (over time)	17 298	16 331
Total revenue from contracts with customers	338 078	265 730

Taxes paid on imports are recognized as reduction of revenue and amounted to USD 11 534 thousand in 2023 (2022: USD 10 295 thousand).

3.2.3 Contract liabilities

The Group's contract liabilities mainly arise from the payment for the sale of tablets and accessories before control has been transferred to the customers, and from Connect subscription services. Sales of goods are typically recognized within days, and subscription services throughout the prepaid period (up to 12 months).

Return liabilities are not considered contract liabilities for the Group. These are classified on 'trade payables and other current liabilities' (see Section 6.4).

The Group held the following contract liabilities and the end of the periods presented:

	31 December 2023	31 December 2022	1 January 2022
Total contract liabilities			
<i>(Amounts in USD thousand)</i>			
Prepaid services	9 975	6 775	1 624
Prepaid goods	876	3 486	1 670
Total contract liabilities	10 851	10 261	3 294

The movement in contract liabilities during the period affecting revenue has been the following:

Movement in prepaid services	2023	2022
<i>(Amounts in USD thousand)</i>		
1 January	6 775	1 624
Increase during the year due to new sales	9 975	6 607
Decrease due to revenue from satisfaction of performance obligation	(6 775)	(1 456)
31 December	9 975	6 775

Additionally, all advances from customers for provision of goods, recognized as contract liabilities at 31 December 2022, have been recognized as revenue during 2023.

3.3 Employee benefits

The number of year-equivalent employed by the Group over the 2023 financial period has been 431 (2022: 301). The Group's remuneration to employees mainly includes salaries, bonuses, and other benefits.

Employee benefits for the periods presented in the financial statements are disaggregated as follows:

Employee benefit expenses	2023	2022
<i>(Amounts in USD thousand)</i>		
Salaries (incl. holiday pay, insurance and other working benefits) and bonuses	38 168	28 587
Payroll tax	5 275	3 753
Defined contribution pension costs	6 343	4 420
Other benefits	1 302	1 221
Total employee benefit expenses	51 088	37 981
Capitalization of employee benefits	(9 358)	(5 598)
Total employee benefits net of capitalizations	41 730	32 383

The capitalization of employee benefit expenses is mainly due to works performed by the Group's employees developing new products and software recognised as intangible assets. See section Section 4.2 for further disclosures.

3.3.1 Pension schemes

The Group is required to have an occupational pension scheme for its employees in accordance with the Norwegian law on required occupational pension. The Group's pension scheme meets the requirements of that law. Employees covered by the Group's pension scheme amounted to 431 at 31 December 2023 (31 December 2022: 301; and 1 January 2022: 189).

3.3.2 Employee share purchase program

reMarkable Holding AS (parent controlling reMarkable Invest AS) offers reMarkable AS' employees the possibility to invest in the reMarkable Invest AS through the purchase of shares in reMarkable Employee Share Holding I AS, which is a company controlled by reMarkable Holding AS and that owns shares in reMarkable Invest AS. See Section 5.8 for further information on the Group's ownership structure.

The purpose of the employee share program is to give employees the opportunity to participate in the value creation of reMarkable AS. All employees of reMarkable AS and individuals who have signed employment with reMarkable AS are eligible to invest. The employee's investment is limited to a share of their annual salary. The employees have a vesting period of 3 years. Until the vesting period is completed, reMarkable Holding AS has to different extents the right to repurchase the shares at the lower of purchase price equal to the consideration paid by the employee or the current market value.

The subscription price is deemed to equal the fair value of the reMarkable Employee Share Holding I AS' shares. Management has analyzed whether there is any difference between the fair value of the shares and the subscription price, and it has been concluded that this difference is expected to be negligible if any. Consequently, no employee benefits have been recognized.

The overall investment made by employees during 2023 and 2022 amounted to nil, and USD 1.2 million, respectively.

*reMarkable Invest Group and reMarkable Invest AS***3.4 Other operating expenses**

Other operating expenses incurred by the Group can be disaggregated as follows:

Other operating expenses	2023	2022
<i>(Amounts in USD thousand)</i>		
Selling and distribution services	57 430	73 971
Audit, legal, and other consulting fees	14 909	14 583
Software license fees and implementation costs	3 143	3 905
Short-term and low values leases	4 338	3 108
Others	2 899	2 239
Total other operating expenses	82 719	97 806

3.4.1 Fees to statutory auditors

The total remuneration to the auditor for the periods presented in these financial statements has been the following:

Remuneration to auditors	2023	2022
<i>(Amounts in USD thousand)</i>		
Statutory auditing	253	140
Other certification services	8	8
Tax advice	16	10
Other non-auditing services	139	43
Total remuneration to auditors	416	201

3.5 Income tax

Accounting policies

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred taxes are calculated at 22% of the temporary differences between book value and tax values, in addition to tax losses carried forward at the end of the accounting year.

The income tax rate has been determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realized, or the deferred income tax liabilities are settled.

3.5.1 Income tax expense

Income tax	2023	2022
<i>(Amounts in USD thousand)</i>		
Current income tax	4 382	810
Changes in deferred tax	2 253	(1 893)
Tax cost in P&L	6 635	(1 083)
Current income tax	4 382	810
Tax on group contribution	-	(26)
Tax payable	4 382	784
Calculation of effective tax rate		
Calculated tax on profit before tax with 22%	5 978	(1 513)
Tax effect of permanent differences	657	430
Total calculated tax expense	6 635	(1 082)
Effective tax rate	24 %	16 %

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.

reMarkable Invest Group and reMarkable Invest AS

3.5.2 Reconciliation of deferred tax

Reconciliation of deferred tax	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Fixed assets	3 668	(2 704)	(224)
Inventory	(958)	3 146	11 230
Other current assets	-	1 097	872
Contract liabilities	-	(6 330)	(1 339)
Short-term debt	(4 109)	(7 533)	(14 628)
Right-of-use asset	462	1 522	2 823
Lease liabilities	(136)	(1 495)	(2 653)
Provisions	(152)	(154)	(170)
Recognised tax losses carried forward	(928)	-	-
Other translation differences	(105)	(51)	-
Net differences	(2 259)	(12 502)	(4 089)
Not included in DTA		-	(210)
Deferred tax asset base	(2 259)	(12 502)	(4 299)
Deferred tax asset based on 22%	(497)	(2 750)	(946)

The Group did not have any unrecognised tax losses carried forward at any of the reporting periods presented. The Group may in the future offset these tax losses carried forward with taxable income from other subsidiaries in the Group.

The decrease in the deferred tax asset of the Group during 2023 is mainly explained by a change in the Group's applied principles for tax accounting for certain areas, including revenue from contracts with customers. This effect resulted in a decrease of deferred tax assets of USD 1.7 million.

3.6 Financial result

Net financial result	2023	2022
<i>(Amounts in USD thousand)</i>		
Financial income	1 538	206
Interest income on bank deposits	1 538	206
Financial expenses	(3 559)	(1 719)
Interests on borrowings	(3 147)	(810)
Interests on lease liabilities	(60)	(90)
Other financial expenses	(352)	(819)
Net foreign currency gains (losses)	553	(2 199)
Net financial result	(1 468)	(3 711)

The increase in the interests on borrowings is mainly due to the new borrowings entered into during 2023. See Section 5.3 for further disclosures.

SECTION 4 Invested capital

Overview

This section includes disclosures in relation to the capital invested by the Group in its tangible and intangible assets.

reMarkable Invest Group and reMarkable Invest AS

4.1 Property, plant and equipment

4.1.1 Classes of PPE assets held by the Group

The Group's property, plant and equipment (PPE) mainly consists of production machinery, and office equipment (including those in relation to information technology such as laptops, servers and similar nature). Additionally, the Group also presents right-of-use assets together with its PPE, which mainly comprise its headquarter offices in Oslo.

Accounting policies

The Group initially recognizes its PPE at cost, and subsequent cost is accounted at initial cost minus accumulated depreciation and impairments.

*reMarkable Invest Group and reMarkable Invest AS***4.1.2 Reconciliation of carrying amounts**

The following table includes a reconciliation of the carrying amount of the property, plant and equipment held by the Group:

Property, plant and equipment	Machinery and equipment	Leasehold improvements	Right-of-use assets	Total
(Amounts in USD thousand)				
Year ended 31 December 2022				
Cost	643	1 861	3 150	5 654
Accumulated depreciation and impairment	(155)	(154)	-	(309)
Opening book amount	488	1 707	3 150	5 345
Additions	2 308	-	221	2 529
Depreciation charge	(328)	(594)	(1 342)	(2 264)
Cost	2 951	1 861	3 371	8 183
Accumulated depreciation and impairment	(483)	(748)	(1 342)	(2 573)
Closing book amount	2 468	1 113	2 029	5 610
Year ended 31 December 2023				
Additions	1 490	-	-	1 490
Depreciation charge	(845)	(565)	(1 504)	(2 914)
Cost	4 441	1 861	3 371	9 673
Accumulated depreciation and impairment	(1 328)	(1 313)	(2 846)	(5 487)
Closing book amount 31 December 2023	3 113	548	525	4 186

The increase in machinery and equipment by the Group is mainly explained by the investment in the manufacturing facilities where reMarkable goods are produced.

Accounting estimates – useful lives and depreciation methods

The following depreciation methods and useful lives have been identified for each of the class of PPE assets identified in the Group:

	Machinery and equipment	Leasehold improvements	Right-of-use assets
Depreciation method	Straight-line	Straight-line	Straight-line
Useful life	3-5 years	Less than 1 year	Less than 1 year

The Group reviews useful life of its PPE assets at least at each period end, considering factors such as their obsolescence and expected levels of wear and tear.

The useful life of the right-of-use assets represents the remaining lease term held by the Group.

4.2 Intangible assets

4.2.1 Classes of intangible assets held by the Group

The Group identifies the following major classes of assets based on their nature and use for the Group:

Own-developed technology	Own-developed technology includes the development of the technology related to tablets, products and services produced by the Group. This also includes improvement of design and functionalities of existing products and new products.
Software	Software held by the Company is mainly comprised by the Company’s enterprise resource planning systems, and other systems linked to design, production and analysis of the Company’s activities as well as integrations between them. This category also includes the Company’s own work made on software controlled by the Company.
Patents and other rights	Patents include the development of products or functionalities. This mainly comprise acquired patents. Other rights comprise online store development.

Accounting policies

The Group recognizes its intangible assets, initially at cost, and subsequently at cost, minus accumulated depreciation and impairments.

4.2.2 Reconciliation of carrying amounts

The following table includes a reconciliation of the carrying amount of the intangible assets held by the Group:

Intangible assets	Own-developed technology	Software	Patents and other rights	Total
<i>(Amounts in USD thousand)</i>				
At 1 January 2022				
Cost	20 496	127	27	20 650
Accumulated amortization	(6 850)	(57)	(8)	(6 915)
Opening book amount	13 646	70	19	13 735
Additions	7 874	1 437	1 149	10 460
Additions from internal development	5 644	-	-	5 644
Amortization	(4 561)	(6)	(112)	(4 679)
Cost	34 014	1 564	1 176	36 754
Accumulated amortization	(11 411)	(63)	(120)	(11 594)
Closing book amount	22 603	1 501	1 056	25 160
Year ended 31 December 2023				
Additions	8 446	3 325	1 905	13 676
Additions from internal development	8 032	2 155	-	10 187
Amortization	(5 647)	(9)	(400)	(6 056)
Cost	50 492	7 044	3 081	60 617
Accumulated amortization	(17 058)	(72)	(519)	(17 650)
Closing book amount	33 434	6 972	2 561	42 967

Development costs are related to improvements made on existing products and development of new products, accessories and software amounted to a total of USD 16.5 million during 2023 (2022: USD 13.5 million).

Additions to software during 2023 and 2022 are mainly related to the enterprise resource planning (ERP), supply chain and customer management systems' implementation. The Group performed significant integrations between the systems to enable proper data flows between the aforementioned systems, and other systems held the Group. Total expenditure for these projects, excluding ongoing costs to access to the cloud systems, amounted to USD 7.2 million in 2023, and an additional USD 4.2 million in 2022. Out of these amounts, the Group capitalized as part of its intangible assets USD 5.4 million in 2023, and USD 1.4 million in 2022, which required the exercise of significant judgement by Management, as further described below.

Critical accounting judgement – capitalization of integrations and implementation costs incurred in cloud service contracts

A significant amount of the Group's software assets is cloud-based systems, where the code resides in the seller's hardware, and the Group can access it through an internet connection.

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When capitalizing costs in relation to implementing software as a service systems, the Group applies significant judgement to specifically assess whether the code produced during customizations (i.e., actions leading to new or improved functionalities) and integrations between systems is controlled by the Group, either through copyright over the code, or through ownership of a copy over the code. Specifically, when the Group obtains ownership over a copy over the code, the Group considers decision making over that copy, such as relevant decisions over updates or maintenance, and its ability to restrict others to access the Group's copy of the additional code.

Intangible assets resulting from capitalized expenditures in relation to software as a service system are expensed over the contractual term of the SaaS arrangement and including any expected renewals until useful life of the developed assets are completed.

Accounting judgement – capitalization of internally generated intangible assets

The Group exercises significant judgement when deciding on the capitalization of its development projects. The area of judgement comes to assessing whether all the requirements as stated in IAS 38 have been met, particularly when differentiating research from development phase, where the Group relies on its internal processes to document such conclusions. In deciding the project phase, Management relies on each specific development project reaching a milestone in the development phase where the technological feasibility and economic viability of the project is confirmed.

Accounting estimates – useful lives and amortization methods

The amortization method, and the useful lives of by class of intangible assets are the following:

	Development	Software	Patents	Other rights
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line
Useful life	3-5 years	15 years	10 years	5 years

Management reassesses at each financial year-end, or earlier if Management identifies any specific indications, the remaining useful lives of its intangible assets. Specifically, for its software assets, Management considers technical, technological or commercial obsolescence are the most relevant factors in determining useful life. For development, Management considers the expected product life cycles independently and in relation to the industry.

SECTION 5 Capital and debt structure

Overview

This section includes disclosures in relation to the capital and debt structure of the Group, including the material items in relation to borrowings, and information about the equity of the Group.

*reMarkable Invest Group and reMarkable Invest AS***5.1 Financial instruments**

This section contains an overview of the Group's financial assets and liabilities. None of the financial instruments held by the Group are measured at fair value. The financial instruments' amortized cost is considered to be a close approximation to their fair value.

Financial assets	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Financial assets at amortised cost:			
Other non-current financial assets	5 415	5 477	462
Trade receivables	9 758	2 608	6 254
Cash and cash equivalents	93 452	52 568	72 099
Total financial assets	108 625	60 652	78 815
Financial liabilities	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Financial liabilities at amortised cost:			
Bonds	49 085	-	-
Supply chain financing	-	14 379	25 528
Lease liabilities	136	1 495	2 653
Trade and other payables	32 842	31 338	22 025
Total financial liabilities	82 063	47 212	50 206

5.2 Non-current financial assets

Non-current financial assets mainly consist of deposits for the lease of the office space the Group is going to commence in 2024. These deposits amounted to USD 5 346 thousand at 31 December 2023 (31 December 2022: USD 5 407 thousand). See Section 5.4 for further information on lease commitments.

5.3 Borrowings

The Group enters into borrowings to finance its operations. Over the periods presented, the main form of financing has been through a bond issued during 2023, and through its supply chain financing arrangement. This supply chain financing agreement has been available during all reporting periods presented.

Accounting policies

Borrowings are initially recognized at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortized cost. Any difference between the net proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Supply chain financing

The Group presents amounts held from its supply chain facilities as part of its borrowings. In deciding this presentation, the Group considers the nature, commercial purpose and specific terms of the agreement.

For presentation in the statement of cash flows, see Section 2.3.

The following table disaggregates interest-bearing loans held by the Group:

Overview of borrowings	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Non-current			
Bonds	47 748	-	-
Total non-current borrowings	47 748	-	-
Current			
Bonds and other borrowings	1 337	-	1 887
Supply chain financing	-	14 379	23 641
Total current borrowings	1 337	14 379	25 528
Total borrowings	49 085	14 379	25 528

The increase in borrowings during 2023 is due to the issuance of a bond for a nominal amount of NOK 500 million bond, whose nominal amount has been reduced by the directly attributable costs from issuing the bond.

5.3.1 Main terms and conditions

Bond agreement

The bond was issued in October 2023, for a nominal amount of NOK 500 million, and accruing interests at 3 months NIBOR plus 7% margin. The Group does not pay any principal until maturity date (October 2027), and interest is paid quarterly.

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Provided that the Group is in compliance with certain ratios in relation to net interest bearing debt and EBITDA, the Group has the possibility to issue up to additional NOK 500 million in bonds, subject to the same terms and conditions as the original bond, but with separate issuance process to be followed.

The Group has the possibility to early repay its bond at any time, with certain compensations to bondholders for lost interest, and the possibility to early repay up to 35% of the bond upon the Group's equity becoming listed. These options are found to be not closely related to the host contract, however it has been concluded that these options have negligible value for the Group in the current circumstances.

The bondholders also have the possibility of early repayment of the bond due to change of control or unfavorable tax events. These options are considered to be closely related to the host agreement and therefore they have not been separately recognised by the Group.

Supply chain financing

In June 2022, the Group signed a supply chain financing agreement, which gave access to up to USD 20 million (increased to USD 25 million by year-end 2022) of uncommitted credit facility for the settlement of invoices issued by its main suppliers. The interest rate is determined by a 3.5% margin plus LIBOR (London Interbank Offered Rate). Credit term is up to 90 days after the supplier's invoices fall due. This agreement was updated during 2023 leaving terms mentioned substantially unchanged. Margin was updated to 3.55% plus 3 months SOFR (Secured Overnight Financing Rate).

5.3.2 Compliance with covenants

The Group is subject to financial covenants for its borrowings, whose main characteristics are described further below.

All covenants were met throughout the reporting periods presented in these financial statements, and there are no indications that the Group may have difficulties complying with the covenants in the foreseeable future.

Bond agreement

At year-end 2023, the Group is subject to the following financial covenants in relation to its bond:

- At all times, minimum liquidity of NOK 100 million (or its equivalent in other currencies). Liquidity includes cash and cash equivalents; any unutilized and available amounts under SSRFC (super senior revolving credit facilities); and any credit of any Group company on any payment processing platform.
- EBITDA of no less than NOK 150 million (or its equivalent in other currencies) for each 12 month period ending at the end of each quarter, or Leverage Ratio not greater than 4.0:1. Leverage ratio is defined as net interest bearing debt to EBITDA. Compliance is measured at the end of each quarter.

Supply chain financing

The Group is also subject to financial covenants in its supply chain financing agreement. These financial covenants were updated during 2023 and became similar to those for the bond agreement (see above).

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5.3.3 Assets pledged as security for liabilities

All assets of the Group are pledged for the outstanding bonds and other financing held at 31 December 2023. reMarkable AS, which is the main subsidiary of the Group, is one of the guarantors of the bond issued by reMarkable Invest AS during 2023. reMarkable Holding AS, which is the controlling entity over reMarkable Invest AS, is also a guarantor for the bond issued.

5.4 Leases

5.4.1 Nature of lessee's leasing activities

The Group's leasing activities mainly relate to office buildings. Additionally, the Group also leases IT equipment, furniture, and other small equipment.

Accounting policies

Right-of-use assets

The right-of-use assets are initially measured at cost. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairments and adjusted for certain remeasurements of the lease liabilities. Depreciation of the right-of-use asset is carried out using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities

Lease liabilities are recognized at the lease commencement date. The lease liabilities are measured as the present value of future lease payments, discounting by the Group's incremental borrowing rate.

Lease liabilities are measured at amortized cost using the effective interest rate method.

Short-term and low value leases

Except for its office buildings, the Group concludes the rest of the leases to meet the low value threshold, for which the Group elects to not account for right-of-use assets and lease liabilities.

Non-lease components

Non-lease components are separated from lease components in the Group and therefore not being considered in the estimation of the right-of-use assets and lease liabilities.

*reMarkable Invest Group and reMarkable Invest AS***5.4.2 Right-of-use assets**

The Group's right-of-use assets only pertain to its office buildings, and the reconciliation of its carrying values have been disclosed in Section 4.1.

5.4.3 Lease liabilities

The Group's lease liabilities and movements during the period are the following ones:

Lease liabilities	2023	2022
<i>(Amounts in USD thousand)</i>		
At 1 January	1 495	2 653
Additions	55	224
Interest expense	62	92
Lease payments	(1 371)	(1 170)
Currency effects	(105)	(303)
31 December	136	1 495
Current	136	1 221
Non-current	-	274

Disclosures on the maturity of lease liabilities are provided in the table below:

Contractual maturities	31 December 2023	31 December 2022
<i>(Amounts in USD thousand)</i>		
Less than 1 year	136	1 426
Between 1 and 3 years	-	144
Total contractual cash-flows	136	1 570
Recognized as liabilities	136	1 570

5.4.4 Amounts recognized in the consolidated statement of comprehensive income

	2023	2022
<i>(Amounts in USD thousand)</i>		
Interest expense (included in finance cost)	62	92
Expense relating to short-term and low-value leases	4 338	3 108
Expense relating to depreciation	1 504	1 342

Total cash outflows for leases have been USD 5 709 thousand for 2023 (2022: USD 4 278 thousand), including short-term and low value leases.

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5.4.5 Other lease information

The Group had lease agreements not yet commenced as of the end of the reporting periods presented. The following table illustrates the undiscounted future lease payments, for the non-cancellable period of the leases:

Lease commitments	31 December 2023	31 December 2022
<i>(Amounts in USD thousand)</i>		
Less than 1 year	3 650	-
Between 1 and 3 years	7 299	7 533
Between 3 and 5 years	7 299	7 533
More than 5 years	18 248	22 598
Total lease commitments	36 496	37 663

This lease commitment mainly relates to the Group's new headquarter offices, and excludes short-term and low value leases.

5.5 Reconciliation of cash flows from financing activities

Reconciliation of cash flow from financing activities	Bonds and other borrowings	Supply chain financing	Lease liabilities	Total
<i>(Amounts in USD thousand)</i>				
Liabilities from financing activities at 1 January 2022	1 887	23 641	2 653	28 181
Cash outflows from payments of principal	(1 887)	(23 641)	(1 079)	(26 607)
Interests paid	(78)	(732)	(92)	(902)
Cash inflows from new borrowings	-	14 379	-	14 379
New leases	-	-	224	224
Interest expense	78	732	92	902
Foreign currency effects	-	-	(303)	(303)
Liabilities from financing activities at 31 December 2022	-	14 379	1 495	15 874
Cash outflows from payments of principal	-	(14 379)	(1 309)	(15 688)
Interests paid	-	(1 918)	(62)	(1 980)
Cash inflows from new borrowings	44 786	-	-	44 786
New leases	-	-	55	55
Foreign exchange adjustments	2 962	-	(105)	2 857
Interest expense	1 337	1 918	62	3 317
Liabilities from financing activities at 31 December 2023	49 085	-	136	49 221

5.6 Financial risks and capital management

This section covers the main risks to which the Group is exposed, and how the Group manages those risks. Those risks are mainly credit risk, liquidity risk and market risk. For each type of risk identified, this note discloses or cross-references to information about the Group's exposures to the risk, how it arises; the Group's objectives, policies, and processes for managing the risk and the methods used to measure the risk. The Group's senior management oversees the management of these risks.

5.6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

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Credit risk is mainly concentrated in the Group's trade receivables with customers, which mainly consist of receivables towards retailers and distributors.

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

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Group assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the sales to retailers and distributors, the Group makes ongoing assessments of the payment terms provided, the credit risk entailed, and any other instruments that can be used to mitigate risk. The Group's trade receivables are not generally covered by credit insurance.

The Group follows up the ageing of the trade receivables with customers on an ongoing basis. As of the 31 December 2023, 99.7% of trade receivables were either not due or due less than 30 days (31 December 2022: 95.6%).

Cash and cash equivalents

The Group manages its exposure towards credit risks of individual banks by considering the amount of deposits that can be held in a single bank, considering among other factors the credit rating of its banks.

The Group is also exposed to credit risks from its cash equivalents, which are amounts held in payment processor companies. The Group performs an individual analysis of each agreement with payment processors, and regularly follows up credit ratings reports of such companies.

Other non-current assets

Other non-current assets mainly relate to its deposits for leases (see Section 5.2). These deposits are established in specific bank accounts for such purpose, and therefore is not exposed to individual credit risks of the lease provider.

5.6.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages its liquidity risk by regularly monitoring its liquidity needs for working capital, and strategical investments, both for short-term and long-term needs, and periodically updates estimations through rolling forecasts. Additionally, the Group has access to additional liquidity, from its supply chain financing facility, another multifunctional currency line, and additional tap issues to its bond (see Note 5.3 for further details).

*reMarkable Invest Group and reMarkable Invest AS***5.6.2.1 Contractual maturities for financial liabilities**

Contractual maturities of lease liabilities are disclosed in Note 5.4.3.

Contractual maturities	Less than one year	Between one and three years	More than three years	Total
<i>(Amounts in USD thousand)</i>				
31 December 2023				
Bonds	5 852	11 703	49 153	66 708
Trade and other payables	32 686	-	-	32 686
Other current liabilities	57 904	-	-	57 904
Total	96 441	11 703	49 153	157 297
31 December 2022				
Supply chain financing	14 379	-	-	14 379
Trade and other payables	31 337	-	-	31 337
Other current liabilities	38 031	-	-	38 031
Total	83 747	-	-	83 747
1 January 2022				
Supply chain financing	23 641	-	-	23 641
Trade and other payables	22 025	-	-	22 025
Other current liabilities	55 339	-	-	55 339
Total	101 005	-	-	101 005

5.6.3 Market risk

Market risk for the Group is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises two types of risk: currency risk and interest rate risk.

5.6.3.1 Interest rate risk

Interest rate risk for the Group is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is mainly exposed to interest rate risk from its interest-bearing debt, including the bond and the supply chain financing, as these instruments are exposed to changes in NIBOR. Part of the Group's exposure to interest rates is compensated by holdings of cash and cash equivalents. The Group does not use any derivatives to hedge against the variability on interest rates.

The following table demonstrates the sensitivity of the Group to a reasonably possible change in interest rates. With all other variables held constant, the Group's profit after tax and equity is affected through the impact on floating rate borrowings, as follows:

Sensitivity of changes in interest rates on borrowings	Impact on equity and profit after tax		
	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Increase in interest rate of 1%	(383)	(165)	(184)
Decrease in interest rate of 0.5%	192	82	92

The table above does not illustrate the offsetting effects that the holdings of cash and cash equivalents by the Group.

5.6.3.2 Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risk in its financial assets and liabilities where the functional currency of the company in the Group is different to the currency in which the asset will be paid, or the liability discharged. The Group's policy in this respect is to have a natural hedge, by which the Group match, to the extent possible, inflows and outflows of the currency.

The Group sells its products in multiple countries with pricing in local currencies. While the majority of the sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Company's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be nominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Group's profitability as a stronger NOK will increase the Group's fixed cost base and vice versa.

The Group is also exposed to currency risks from its bond being denominated in NOK (see Section 5.3), while the functional currency of the companies in the Group being USD.

reMarkable Invest Group and reMarkable Invest AS

The following table presents the Group's sensitivity to reasonably possible changes in exchange rates for the most material currencies in the Group. The following table includes financial instruments at 31 December that are denominated in other currency than USD:

Sensitivity of changes in foreign currency rates	Impact on equity and profit after tax		
	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			#
10% increase in amount of USD per:			
NOK	1 081	2 248	(2 158)
EUR	(940)	830	1 613
10% decrease in amount of USD per:			
NOK	(1 081)	(2 248)	2 158
EUR	940	(830)	(1 613)

5.7 Capital management

The Group defines capital as equity. The Group's main objective when managing capital is to ensure the ability of the Group to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants. See Section 5.3.1 for covenants to which the Group is subject to.

5.8 Share capital and ownership structure

reMarkable's invest AS presents the following ownership structure:

Ownership of reMarkable Invest AS by company	31 December 2023	31 December 2022	1 January 2022
<i>(Number of shares)</i>			
reMarkable Holding AS	7 269 130	7 269 130	7 269 130
reMarkable Employee Share Holding I AS	148 150	148 150	83 794
Total shares	7 417 280	7 417 280	7 352 924

reMarkable Invest AS only has one type of share, with a nominal amount of NOK 0.35 is comprised. All shares have equal rights. There have been no changes in the number of shares, share capital or share premium of the Group during the 2023.

The evolution of the reMarkable Invest AS' ownership is explained by the employee share program disclosed in Section 3.3.2. reMarkable Holding AS controls reMarkable Employee Share Holding I AS by holding 100% of the issued class-A shares representing 67% of the voting rights.

SECTION 6 Working capital

Overview

This section includes disclosures in relation to items considered part of the working capital of the Group, typically with a short-term nature, and related to its operating activities.

*reMarkable Invest Group and reMarkable Invest AS***6.1 Inventories**

Inventories held by the Group mainly consist of finished goods controlled by the Group, such as tablets, markers and other accessories; and a certain security stock of key components necessary for its goods to be produced. The Group is not manufacturing its own products. These are produced by third parties often referred to as 'electronic manufacturing services' (EMS) suppliers.

Accounting policies

Inventories are measured at cost, which for the Group is typically the purchase cost of its goods, transportation costs until the point the goods are in the distribution centers of the Group; and non-refundable taxes such as customs duties.

Cost of inventory is assigned based on the weighted average cost formula.

The following table illustrates the different classes of inventory held by the Group, and cost of materials:

Inventories	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Raw materials	7 426	4 074	11 295
Work in progress	3 288	3 663	2 989
Finished goods	31 427	17 271	31 787
Total inventories	42 141	25 008	46 071
Cost of materials		2023	2022
<i>(Amounts in USD thousand)</i>			
Purchase of materials		193 150	110 703
Change in inventories		(17 133)	21 063
Total cost of materials		176 017	131 766

Accounting judgements – inventory recognition

The Group recognizes reMarkable-specific inventory held by its electronic manufacturing suppliers and presents it as raw materials. In arriving to this conclusion, the Group considers several factors such as low rotation, obsolescence risks, and the ability of EMS supplier to redirect the inventories to alternative uses.

6.2 Trade receivables

Accounting policies

Trade receivables in the Group are measured at its amortized cost and reduced by the expected credit losses following the simplified approach under IFRS 9. Therefore, the Group does not follow up changes in credit risk and recognize expected lifetime losses at each reporting date.

The Group considers for its provision matrix its historical experience, adjusted by forward-looking information of its customers, industry, and general economic environment.

Trade receivables	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Trade receivables	9 758	2 608	6 254
Allowance for expected credit losses	-	-	-
Total trade receivables	9 758	2 608	6 254

6.3 Cash and cash equivalents

The Group's cash and cash equivalents mainly consist of cash in bank and cash equivalents held in payment service providers (PSPs), typically arising from sales through its web shop. Amounts held in PSPs can typically be transferred to the Group's bank accounts within days, at the Group's sole discretion.

Accounting policies

Cash held in payment service providers are considered as cash equivalents by the Group when the Group can conclude that there are insignificant risk of changes in value (including credit risk), no significant fees, and can readily be transformed into known amounts of cash.

The Group's cash and cash equivalents can be disaggregated as follows:

Cash and cash equivalents	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Cash at bank	80 234	37 571	68 271
Restricted cash (payroll)	2 977	2 259	1 960
Unrestricted cash	77 257	35 312	66 311
Cash equivalents	13 218	14 997	3 828
Total cash and cash equivalents	93 452	52 568	72 099

The Group also holds financing bank overdrafts in the form of supply chain financing. See specific disclosures in Section 5.3.

6.4 Trade payables and other current liabilities

Accounting policies

The Group presents refund liabilities separately from contract liabilities included in Section 3.2.

Trade, other payables and other current liabilities	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Trade and other payables	32 686	31 338	22 025
Trade payables	32 665	31 314	20 406
Other payables	21	24	1 619
Other current liabilities	58 305	38 215	54 204
Contract liabilities (see Section 3.2)	10 851	10 261	3 294
Refund liabilities	3 956	2 588	2 617
Payroll tax and other statutory liabilities	5 251	3 059	2 293
VAT payable	5 138	1 673	1 932
Raw materials in consignment (Section 6.1)	7 423	4 072	11 295
Other current liabilities	25 686	16 562	32 773
Total trade, other payables, and other current liabilities	90 991	69 553	76 229

Accounting estimates – estimated returns (refund liabilities)

The Group estimates returns on a continuous basis, considering historical experience (as long as it is representative of future expectations) and current information about future trends. Specifically, overstock clauses, and return periods granted to final customers are considered in estimating expected returns.

For this estimate, the Group estimates refund liabilities based on the expected value method for groups of contracts with similar characteristics, which are mainly differentiated by sales channel. Specifically, the Group also considers any overstock clauses when estimating refund liabilities from this revenue stream.

The conclusion on the volume of returns is a relevant input for the estimation of the right of return of inventories.

6.5 Provisions

The Group’s provisions mainly relate to warranties over products sold, and other matters connected to its selling and production activities.

Accounting policies

Provisions for warranties

Provisions for warranties are measured based on Management’s best estimate at the end of each reporting period. The amount of warranty provisions is based on an expected value model, where the Group uses historical information and current information about known or detected defects. Warranty provisions are considered for the whole population of goods sold and subject to warranty provisions, adjusting for known or expected cases affecting specific groups of goods (by series, production time, or any other applicable grouping).

Provisions in the Group at 31 December 2023 amounted to USD 2 052 thousand (31 December 2022: USD 873 thousand), of which USD 902 thousand (31 December 2022: 873 thousand).

SECTION 7 Other disclosures

Overview

This section includes disclosures in relation topics other than those covered in the previous sections, including related parties and events after the reporting period.

*reMarkable Invest Group and reMarkable Invest AS***7.1 Related parties****7.1.1 Remuneration to key management personnel**

The Board received no remuneration during the periods presented in the financial statements.

Key management personnel in the Group is comprised of the board of directors, and the executive management personnel. Executive management personnel includes, among other, the chief executive officer, and other chief executives in finance, operations, strategy, and others having similar authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel (incl. CEO)	2023	2022
<i>(Amounts in USD thousand)</i>		
Short-term employee benefits	3 130	2 534
Total remuneration to key management personnel	3 130	2 534
Remuneration to CEO	2023	2022
<i>(Amounts in USD thousand)</i>		
Short-term employee benefits	600	306
Other benefits	-	212
Total remuneration to CEO	600	518

reMarkable Invest Group and reMarkable Invest AS

7.1.2 Transactions and balances with related parties

Transactions and balances with related parties are presented in the tables below.

Balance sheet items by related party	31 December 2023	31 December 2022	1 January 2022
Other current receivables with:	30	-	2 643
reMarkable Employee Share Holding I AS	30	-	2 643
Other current liabilities with:	143	159	452
reMarkable Holding AS	143	159	452

Balances with reMarkable Employee Share Holding I AS mainly relate a receivable under an unregistered share capital increase, which was then registered and settled during 2022.

There have been no material transactions with any other related parties during the periods presented in these financial statements.

7.2 Commitments

The material capital commitments for the Group, at the end of the reporting periods presented, only relate to leasing, which is further disclosed in Section 5.4.5.

7.3 Events after the reporting period

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

*reMarkable Invest Group and reMarkable Invest AS***INCOME STATEMENT – REMARKABLE INVEST AS**

<i>Amounts in NOK thousand</i>	Notes	2023	2022
Other operating expenses	<i>1, 2</i>	(167)	(234)
Total operating expenses		(167)	(234)
Operating profit/(loss)		(167)	(234)
Income from investment in subsidiary		0	234
Interest income	<i>3</i>	4 322	0
Interest expense	<i>4</i>	(13 011)	0
Other financial expenses		(584)	0
Net financial result		(9 273)	234
Profit/(loss) before income tax		(9 441)	0
Income tax expense	<i>5</i>	2 077	0
PROFIT/(LOSS) FOR THE YEAR		(7 364)	0
Transfers			
Loss brought forward		7 364	0
Total transfers and allocations	6	(7 364)	0

*reMarkable Invest Group and reMarkable Invest AS***BALANCE SHEET – REMARKABLE INVEST**

<i>Amounts in NOK thousand</i>	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Investment in subsidiaries	7	223 519	223 519
Loan to group companies	8	490 000	0
Deferred tax assets	5	2 077	0
Total non-current assets		715 596	223 519
Current assets			
Other short-term receivables		40	0
Receivables from group companies		30	264
Cash and cash equivalents	3	4 282	19
Total current assets		4 352	283
TOTAL ASSETS		719 949	223 802

reMarkable Invest Group and reMarkable Invest AS

<i>Amounts in NOK thousand</i>	31 December 2023	31 December 2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital <i>9</i>	2 596	2 596
Share premium reserve <i>6</i>	220 953	220 953
Uncovered loss	(7 364)	0
Total equity <i>6</i>	216 185	223 549
LIABILITIES		
Bonds <i>4</i>	486 300	-
Total non-current liabilities	486 300	0
Trade payables <i>8</i>	1 587	0
Other current liabilities <i>4, 8</i>	15 876	253
Total current liabilities	17 463	253
Total liabilities	503 763	253
TOTAL EQUITY AND LIABILITIES	719 949	223 802

reMarkable Invest Group and reMarkable Invest AS

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**Vegard Gullaksen
Veiteberg**
Chair of the Board

DocuSigned by:
Marius Juul Møller
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Marius Juul Møller
Board member

DocuSigned by:
Philip Hess
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Philip S. Hess
Chief executive officer

DocuSigned by:
Mikkel Ektvedt
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**Mikkel Andreas
Ektvedt**
Deputy Board member

Oslo (Norway)
28 May 2024

*reMarkable Invest Group and reMarkable Invest AS***INDIRECT CASH FLOW – REMARKABLE INVEST AS**

<i>Amounts in NOK thousand</i>	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		(9 441)	0
Change in accounts payable		1 587	0
Change in other accrual items		16 168	19
Net cash flow from operating activities		8 314	19
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Payments to buy shares and participation in other companies		0	(11 116)
Payment of loan to reMarkable AS		(490 000)	(11 116)
Net cash flow from investing activities		(490 000)	(11 116)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Bond	4	500 000	0
Payment transaction costs Bond		(14 285)	0
Proceeds from equity		0	34 422
Proceeds from Group contributions		234	0
Payment of Group contributions		0	(23 306)
Net cash flow from financing activities		485 950	11 116
Net increase/(decrease) in cash and cash equivalents		4 263	19
Cash and cash equivalents at the beginning of the period		19	0
Cash and cash equivalents at the end of the period		4 282	19

NOTES TO FINANCIAL STATEMENTS – REMARKABLE INVEST AS

1. Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and generally accepted accounting principles in Norway.

Functional currency, reporting currency and presentation currency

reMarkable Invest AS has assessed that the company has no activities of its own (other than holding financing) and therefore it is regarded as an extension of its subsidiary, reMarkable AS, where the dominating and functional currency is USD. Under the Norwegian Accounting Act §3-4, the company has the availability to chose NOK as accounting currency and has therefore decided to apply NOK as both accounting currency and presentation currency.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilized.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortized cost. Any difference between the net proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the normal operating cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are recognized on the balance sheet at the nominal amount at the time of the transaction.

Subsidiaries and associated companies

Subsidiaries are accounted for using the cost method in the company accounts. The investment is recognised at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such writedown must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends and group contributions from subsidiaries are normally recognized to income in the accounting year, as allowed by the Norwegian Accounting Act. For 2023, this option has not been utilized due to practical reasons, and no group contributions have been recognized in the financial statements for 2023.

*reMarkable Invest Group and reMarkable Invest AS***Cash flow statement**

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

2. Salary costs and benefits

reMarkable Invest AS has not had any salary costs or benefits in 2023 and there are no such obligations.

No remuneration has been paid to the board in 2023

The expensed audit fee for 2023 is NOK 84k including VAT, of which NOK 40k represents consultancy services for other services including the preparation of financial statements and tax returns.

3. Cash and cash equivalents

The company has no restricted bank deposits as of 31.12.2023.

4. Bond

Overview of borrowings	2023	2022
Bond	486 300	0
Total	486 300	0

The increase in borrowings during 2023 is due to the issuance of a bond for a nominal amount of NOK 500 million bond, whose nominal amount has been reduced by the directly attributable costs from issuing the bond.

Main terms and conditions in bond agreement

The bond was issued in October 2023, for a nominal amount of NOK 500 million, and accruing interests at 3 months NIBOR plus 7% margin. The Group does not pay any principal until maturity date (October 2027), and interest is paid quarterly.

Provided that reMarkable Invest AS is in compliance with certain ratios in relation to net interest bearing debt and EBITDA, reMarkable Invest AS has the possibility to issue up to additional NOK 500 million in bonds, subject to the same terms and conditions as the original bond, but with separate issuance process to be followed.

reMarkable Invest AS has the possibility to early repay its bond at any time, with certain compensations to bondholders for lost interest, and the possibility to early repay up to 35% of the bond upon the Group's equity becoming listed. These options are found to be not closely related to the host contract, however it has been concluded that these options have negligible value for reMarkable Invest AS in the current circumstances.

The bondholders also have the possibility of early repayment of the bond due to change of control or unfavorable tax events. These options are considered to be closely related to the host agreement and therefore they have not been separately recognized by reMarkable Invest AS.

*reMarkable Invest Group and reMarkable Invest AS***Compliance with covenants**

At year-end 2023, reMarkable Invest AS is subject to the following financial covenants in relation to its bond:

- At all times, minimum liquidity of NOK 100 million (or its equivalent in other currencies). Liquidity includes cash and cash equivalents; any unutilized and available amounts under SSRCF (super senior revolving credit facilities); and any credit of any Group company on any payment processing platform.
- EBITDA of no less than NOK 150 million (or its equivalent in other currencies) for each 12 month period ending at the end of each quarter, or Leverage Ratio not greater than 4.0:1. Leverage ratio is defined as net interest bearing debt to EBITDA. Compliance is measured at the end of each quarter.

As of 31.12.23 the covenants are complied with.

Assets pledged as security for liabilities

All assets of reMarkable Invest AS are pledged for the outstanding bonds and other financing held at 31 December 2023. reMarkable AS, which is the main subsidiary of the Group. The Guarantors are the Parent (reMarkable Holding AS); the Operating Company (reMarkable AS); and the issuer (reMarkable Invest AS); and any other so designated material Group company

5. Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	(2 077)	0
Tax expense on ordinary	(2 077)	0
Taxable income:		
Result before tax	(9 441)	0
Permanent differences	0	(234)
Received intra-group contribution	0	234
Taxable income	(9 441)	0
Payable tax in the balance:		
Payable tax on this year's result	0	(52)
Payable tax on profit before tax	0	52
Total payable tax in the balance	0	0
Calculation of effective tax rate:		
Profit before tax	(9 441)	0
Calculated tax on profit before tax	(2 077)	0
Total payable tax in the balance	(2 077)	0
Effective tax rate	22%	0%

*reMarkable Invest Group and reMarkable Invest AS***6. Equity**

<i>Amounts in NOK thousand</i>	Share capital	Share premium	Other paid-in equity capital	Other equity capital	Total equity
Balance at 1 January 2022	2 596	220 953	0	0	223 549
Profit/(loss) for the year	-	-	-	(7 364)	(7 364)
Balance at 31 December 2022	2 595	220 953	0	(7 364)	216 185

7. Subsidiaries

reMarkable Invest AS owns 100% of the shares in reMarkable AS, which gives reMarkable Invest AS 100% of the votes in the company. reMarkable AS has its registered office in Oslo.

8. Related party transactions

Liabilities	2023	2022
Other short-term liabilities within the group	2 865	253
Total	2 865	253

Receivables	2023	2022
Loan to group companies	490 000	0
Total	490 000	0

Profit or loss items	2023	2022
Interest income subsidiaries	40	0
Total	40	0

9. Share capital and ownership structure

Share capital in reMarkable Invest AS as of 31.12 consists of:	Total	Nominal amount	Entered
Ordinary shares	2 417	0.35	2 596
Total	2 417		2 596

reMarkable Invest AS presents the following ownership structure:

Ownership structure	Ordinary	Owner interest	Share of votes
reMarkable Holding AS	7 269	98%	98%
reMarkable Employee Share Holding I AS	148	2%	2%
Total number of shares	7 417	100%	100%



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To the General Meeting of reMarkable Invest AS

Independent Auditor's Report

Opinion

We have audited the financial statements of reMarkable Invest AS, which comprise:

- the financial statements of the parent company reMarkable Invest AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows 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 Invest AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023 and 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and 31 December 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandnessjøen	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodø	Knaresund	Stord	Ålesund
Drammen	Kristiansund	Straume	



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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 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 and 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's and the 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.

Oslo,

KPMG AS

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

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Vintervoll, Karianne F

Statsautorisert revisor

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DIRECTOR'S REPORT | REMARKABLE HOLDING GROUP

Operations and locations

reMarkable Holding AS ("the Company") is the parent company in the reMarkable Group (referred to as "reMarkable" or "reMarkable Group"), whose main subsidiaries are reMarkable AS, reMarkable Invest AS and reMarkable Employee Share Holding I AS. reMarkable AS is the operating entity of the reMarkable Group and is a Norwegian company that develops, markets, and sells consumer electronics products termed 'paper tablets' and associated accessories.

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

The Group distributes its products in over 50 countries, with North America and Europe being the largest markets. The majority of sales originate through reMarkable's own web shop, whereas sales via third parties make up an increasing proportion of revenues as part of the Group's distribution channel strategy. Production is conducted primarily in China, with distribution from warehouses in Hong Kong, the Netherlands, Lithuania and Mexico.

Letter to stakeholders

2023 has been an outstanding year for reMarkable. We embarked on a highly successful retail sales roll-out and unveiled our new product offering, the Type Folio. In addition, we have expanded our software ecosystem – making progress on a seamless workflow and better thinking across all your devices. During the year, we have also continued to scale the organization, investing heavily into new product development while making substantial improvements to our operating model.

reMarkable 2 continues to lead the paper tablet category, and during Q4 we crossed the threshold of more than 2 million paper tablets sold since the launch of reMarkable 1. This is a testament to the strength of our brand and value proposition of the product. Word-of-mouth recommendations remain one of our most important sales-drivers, and this gives us continued confidence that we are barely scratching the surface of a very large addressable market. Our Connect subscription offering provides a unique platform on which to continuously add more value to the reMarkable user experience. With a rapidly growing base of nearly 700,000 subscribers as of year-end, this will be a core area of investment in the years ahead.

These notable accomplishments have provided the foundation for our strong financial performance in 2023. Considering the macroeconomic headwinds in consumer electronics, we are especially proud of the results – relying on excellence in execution. As part of this work, and to prepare us for future growth, we have implemented a management system that is focused more strongly on goals and outcomes. To ensure our IT system technology needs can scale with our growth, we have implemented a cloud-based ERP system (SAP). Over time, we believe that these initiatives will allow us to keep growing at significant rates while demonstrating economies of scale due to significant operational efficiencies.

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Ultimately, the value we add to our customers will determine our rate of growth. Both to attract new customers and to serve our existing customers better, we introduced the Type Folio, a slim keyboard that elegantly attaches to reMarkable 2. The launch was accompanied by mobile and desktop applications that enable users to capture critical notes when our tablet is not the most convenient option. For on-the-go and at-the-desk notes, users can capture ideas, no matter where they are or what device they are working on – fully integrated with our tablet.

In mid-October, reMarkable completed a NOK 500m Norwegian bond issue, which marked our first entry into public capital markets. This additional financing strengthens our ability to develop and commercialize new products. As we grow, especially with third-party retail sales, the bond proceeds will help with increased working capital needs. The bond will be listed on the Oslo Stock Exchange during the second half of 2024 and as a consequence of this we have changed our accounting standard from Norwegian Generally Accepted Accounting Principles (NGAAP) to the International Financial Reporting Standard (IFRS) while also changing our functional and reporting currency to US Dollars.

While we are proud of what we accomplished last year, we are depending on our employees to deliver even more in the coming years. I continue to be impressed with the dedication of the team, and I am optimistic that we can create significantly more business value as we align the team to our business strategy and focus on employee engagement.

Our employees are the source of our value creation. However, it will be our customers who ultimately judge the value of our work. I see opportunities for us to place the customer at the center of everything that we do. This means relentlessly focusing on the end-to-end customer experience so they both love us and tell their friends about us. With employees enabled to create and deliver more value, and with a more customer-centric culture, we can continue on the successful path that those who came before me have started.

Best,

Phil Hess

Chief Executive Officer

Financial performance

Revenue

Total revenues for 2023 amounted to USD 338m, which corresponds to a 27% year-over-year improvement. The robust topline growth was primarily driven by a highly successful retail roll-out in North America during the second half, as well as continued strong performance in key markets.

- The expansion of our product offering through the launch of Type Folio and the related device-agnostic reMarkable ecosystem was well received by customers, with a high degree of upselling to existing users
- Our subscription offering, Connect, has seen healthy annual recurring revenue (ARR) growth on the back of positive free-to-paying conversion development in the second half of the year. This follows the value proposition change in 2022, where the free trial period was extended

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in July 2021 (from 100 days to 1 year) in combination with a lower price point from mid-September (monthly price reduced from \$7.99 to \$2.99)

- In Q4, we began to see the full commercial effects of having a multichannel presence, leading us to record the best peak season in reMarkable's history

Cost of materials

Net Margin after Cost of Materials for 2023 amounted to USD 162m, representing a 21% increase from the USD 134m achieved in 2022. After cost of materials, the margins reflected a healthy 48% and 50% respectively. The 2 pp. decline is partly explained by return provisioning on the back of a changed sales mix along with costs incurred as remarkable continues to expand into a new sales channel.

EBITDA

EBITDA came in at a record high of USD 38m, compared to USD 3m for 2022 (1096% year-over-year growth). The robust performance comes as a result of increased revenues in combination with a relative reduction in sales and advertising expenditure (as a % of revenue). This positive development offsets the ramp-up in the operating cost base to support reMarkable's continued development of new products and markets.

Research and development

Development costs are related to improvements made on existing products and development of new products, accessories and software amounted to a total of USD 16.5m during 2023 (2022: USD 13.5m).

Additions to software during 2023 and 2022 are mainly related to the enterprise resource planning (ERP), supply chain and customer management systems' implementation. The Group performed significant integrations between the systems to enable proper data flows between the aforementioned systems, and other systems held the Group. Total expenditure for these projects, excluding ongoing costs to access to the cloud systems, amounted to USD 7.2m in 2023, and an additional USD 4.2m in 2022. Out of these amounts, the Group capitalized as part of its intangible assets USD 5.4 million in 2023, and USD 1.4 million in 2022.

Cash flow from investing activities

Cash flow from investing activities of USD (25)m in 2023 versus USD (24)m in 2022, reflects reMarkable's continued commitment to innovate and create compelling user experiences, and comprise primarily of development expenditure in line with product roadmaps.

Cash flow from financing activities

Net cash flow from financing activities of USD 27m in 2023 largely represents the remaining proceeds from the NOK 500m bond issue post repayment of existing bank debt.

Liquidity

As at year-end 2023, the reMarkable Group held USD 96m in cash and equivalents, compared to USD 55m for 2022. The strong liquidity improvement has been achieved through the positive financial results, positive net working capital changes along with the proceeds from the bond issue.

reMarkable's net cash position was USD 44m at year-end 2023. Last year the comparable position was USD 38m.

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Equity

Equity at year-end amounted to USD 59m, reflecting an equity ratio of 29%. In 2022 equity came in at USD 39m with a corresponding equity ratio of 31%. The 2 pp. year-over-year decline is largely explained by the inaugural NOK 500m bond issue in October 2023.

Financial risks

Input factors

As a provider of consumer electronics, reMarkable is exposed to the possibility of global shortages of production components. Global shortages may be due to a variety of reasons, such as the recent Covid-19 pandemic or other geopolitical events that have an adverse effect on operations.

Political, social or economic instability in Asia where the Group's suppliers' manufacturers are located, or the imposition of additional trade law provisions, regulations, duties, tariffs and other charges affecting imports and exports, could cause disruptions in trade or increase costs, including with regard to exports to EU, UK or US.

To counter sourcing complexities, reMarkable has a dedicated team that collaborates directly with suppliers throughout our value chain and regularly takes strategic measures to ensure access to critical input factors and priority with suppliers. The latter may on a regular basis require us to maintain a significant inventory of finished goods and critical longlead components, which increases the Group's working capital needs.

Liquidity risk

reMarkable manages its liquidity risk by regularly monitoring its liquidity needs for working capital, and strategic investments, both for short-term and long-term needs, and periodically updates estimations through rolling forecasts.

During the year we completed a NOK 500m bond issue, which will strengthen the Groups ability to develop and commercialize new products as well as help with increased working capital needs following the growth in third-party retail. Moreover, reMarkable has access to additional sources of liquidity, from its supply chain financing facility, another multifunctional currency line, and potential tap issues through its bond.

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

Market risk

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

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

Credit risk

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

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Group assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the retail segment, the 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.

Forex exchange risk

The Group sells its products in multiple countries with pricing in local currencies. While the majority of sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Group's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be nominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Group's profitability as a stronger NOK will increase the Group's fixed cost base and vice versa. reMarkable has short term contracts with retailers and distributors where underlying sales also provide for foreign exchange terms.

Other

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

Work environment, equal opportunity and discrimination

The work environment at reMarkable is considered to be good. The Group has a Workplace Environment Committee (Nw. AMU), an employee representative, and a safety representative, as well as established routines for safeguarding and protecting the rights and needs of its employees. Practices to make sure the workplace is accessible and inclusive are regularly implemented, communicated, and reviewed. Measures and routines to ensure sound working conditions have been initiated, as well as measures to preserve employee mental health, motivation, and general well-being. Total sick leave in 2023 was 2.8% 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 2023, the Group consisted of 37% women and 63% men. For more

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information on this topic, we refer to our report on equality that is published on our career page, remarkable.com/careers. The report details our current gender equality status on a set of parameters, an assessment of potential risks for discrimination or obstacles to equality, as well as a look at what we have done so far and plan to do in the future to improve diversity and equality.

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

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

Environmental and community responsibility

Maximizing positives, minimizing negatives

To reMarkable, better thinking involves acknowledging that everything we do impacts the world around us. We strive to maximize our positive impacts, while minimizing the negative ones. Our impact reporting for 2023 will provide a status on our work on implementing sustainability and some thoughts on where we plan to continue our journey.

The consumer electronics space has seen some major market trends in 2023. Some of the most notable are geopolitics, the European Union's (EU) role, transparency and growing customer preferences towards sustainable brands. Geopolitics are intensifying sustainability aspects role as a key strategic and financial focus for all organizations. Examples of this include energy security and access to scarce minerals. The EU requires companies to adopt practices on sustainability reporting, product durability and quality, leading to significant systemic improvements.

Our customers, particularly younger generations, are showing an increasing preference for Our customers, particularly younger generations, are showing an increasing preference for sustainable brands with clearer morals and values, but without compromising on convenience and functionality. At the same time, supply chain transparency is accelerated through a wide range of national regulations in different markets, such as the Norwegian Transparency Act and the US Uyghur Forced Labor Prevention Act.

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

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Sustainability governance

A new framework for sustainability management

The EU has launched its Corporate Sustainability Reporting Directive (CSRD), mandating companies to report on their most important - or material - sustainability matters, document their sustainable transformation, clear governance and time-bound targets related to their material sustainability areas. This greatly increases the expectations for how companies should work and integrate sustainability areas like climate, human rights and circular economy into their business and value chain.

reMarkable is working to be CSRD ready. This is a demanding journey, requiring large efforts of our entire organization. To start off on the right track, reMarkable mapped the most material sustainability areas during the fall of 2023 through a double materiality assessment. This is, in all essence, a prioritization of sustainability areas going ahead. We are working in collaboration with our business partners and suppliers to find the right long-term solutions for our business and value chain.

Governance structure

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

The execution and monitoring of the activities related to sustainability is being conducted by the relevant functions and departments within the organization. reMarkable strives to integrate sustainability and responsibility into our business practices.

In 2023 reMarkable has mapped the Group's policies and procedures related to management of our most important sustainability topics. We updated our Supplier Code of Conduct, and our Anti-Corruption Policy, and shared our findings of relevant impacts, risks and opportunities with the management team.

Through 2024, we will further develop our sustainability governance and provide training for our employees to create understanding of how these policies can be implemented into their everyday work. Becoming aligned with the CSRD framework will support reMarkable's work on compliance and help us meet expectations of our stakeholders. This will continue to be a priority through 2024.

Our main impact

The double materiality assessment

The double materiality assessment was conducted in four phases; understand, identify, evaluate and decide.

Understand: we gathered information to understand reMarkable's sustainability context, assessing reports from industry experts on sustainability, reMarkable's value chain, peers and other relevant sources. This resulted in a list of potential sustainability areas for further analysis.

Identify: Next, we described how reMarkable's activities could impact these sustainability areas, or how these sustainability areas could present risks or opportunities to reMarkable.

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Evaluate: In total, we established causal links for 95 different impacts, risks and opportunities. This step makes it possible to compare different sustainability topics against each other, as for example comparing the impact of pollution from manufacture on one side, to breaches of consumer privacy on the other.

Decide: After giving each impact, risk or opportunity a magnitude, we decided on a threshold for these to be considered material, or not material. This process output was an impact scoring, and finally resulted in identifying the most material sustainability topics for reMarkable.

Some of the topics we identified as most material are climate change mitigation, anti-corruption, resource use and circular economy, information security, and human rights in our value chain. Most of the impacts, risks and opportunities reMarkable face as a company, takes place throughout our value chain.

Circularity

We strive to minimize the lifetime impact of our products and services, making everlasting products and services that can pass through multiple life cycles, using recycled and reused materials produced with renewable energy. Re-using products is one of the most efficient methods to reduce the environmental impact of a product. Due to this, reMarkable is focusing on extending the lifetime of our reMarkable 2 device by both conducting refurbishment and repair. Refurbishment would mean that when a used device is returned from a customer, the device is tested according to the same quality requirements as a new device, re-packed and re-sold to another customer or used as a replacement product.

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

Product	Number units in 2022	Number units in 2023
reMarkable 1 (devices) recycled	869	0
reMarkable 2 (devices) recycled	0	6 398
reMarkable 2 (devices) refurbished	11 698	18 957
reMarkable 2 (devices) repaired	7 583	25 783

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

Other achievements related to circularity include:

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- All packaging is 100% recyclable
- Battery longevity: The device battery retains 80% of the total capacity after being charged 500 times, ensuring a long life cycle.

We will continue to work with circularity in 2024. The work will include setting and implementing strategies to promote circular outcomes, and spans across material usage in our products to efficient repair and refurbishment solutions.

Social impact

As a company with a global value chain, it is critical to be aware of the impact we have on the societies around and workers in our value chain activities. Therefore, we believe in close collaboration with our suppliers and stakeholders. We work with our suppliers to define goals and actions that support our efforts towards sustainability, and have continuous dialogue with them to provide support and feedback.

Supply chain

When we choose suppliers, through the Request for Proposal (RFP) processes, potential suppliers are evaluated based on their capabilities within sustainability, and sustainability commitments are defined as part of our process. We aim to work with suppliers sharing our values and concerns for the future.

reMarkable is taking several steps to ensure that human rights and decent working conditions are respected throughout the supply chain, all the way down to raw material sub-suppliers. We have prioritized work on three main areas in 2023.

Supplier Code of Conduct: Our Supplier Code of Conduct addresses topics such as labor rights, health and safety, environment and ethical governance. We have updated the policy to reflect our efforts and expectations we have to the suppliers. During 2023 and continuing into 2024, we are working to ensure that all direct first tier suppliers¹ understand and sign the Group's Supplier Code of Conduct, and commit to work with suppliers tiers²⁻ⁿ to ensure they, at a minimum, follow the same standard. Not accepting the Supplier Code of Conduct would disqualify a supplier in a RFP process.

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

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

¹ Tier¹ suppliers refer to those with whom we maintain a direct financial relationship, whereby transactions are conducted directly with them.

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Besides the aspects required by Norwegian law, we also assess the risk in our value chain on corruption, political stability, LGBTI rights and gender equality. Findings from our work is published on reMarkable.com, and updated annually².

KPI description	2022	2023
First tier direct suppliers signed Supplier Code of Conduct (%)	100	100
First tier direct suppliers that have completed information related to the Norwegian Transparency Act (%)	100	100

We will continue to collect relevant data from direct suppliers in tiers 2-n and our indirect suppliers in 2024, and to conduct subsequent risk assessments on their social impacts. Based on these risk assessments, we will make a plan on how to reduce the risks of our value chain contributing to violation of fundamental human rights and decent working conditions. During the year we will define KPIs and set short- and long-term targets for this work

Climate change

Greenhouse gas emissions are another key impact the consumer electronics industry has on the world. In recognizing this we have mapped our GHG emissions for our organization's own operations and for our products. We now have emissions data from 2021 until 2023, and are gradually improving data quality and completeness of our GHG inventory.

The results reflect an expanded scope of different emissions categories included in the accounting 2023. We have captured more of our relevant emissions categories and data sources than in previous years³. In the report below, reMarkable's offices in Oslo and our business travel, the downstream transportation of products, the production of products, the usage and end-of-life treatment of the sold products is included⁴.

GHG Accounts 2021-2023

Scope ⁵	Description	Emissions in tonnes CO ₂ eqv			
		2021	2022	2023	% change
Scope 1	Scope 1 total	-	-	-	-
Scope 2	Scope 2 total (location)	4.0	4.9	6.3	29%
	Electricity - market	88.2	49.8	61.7	24%
	Electricity - location	1.8	1.4	2.3	64%

² See <https://remarkable.com/transparency-act> for our Transparency Act report

³ This analysis is based on the operational control aspect that defines what should be included in the carbon inventory, as well as in the different scopes.

⁴ The input data is based on internal and external data sources, converted into tonnes CO₂-eq. The analysis is based on the Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol). This is the most important standard for measuring GHG emissions and was the basis for the ISO standard 14064-I.

⁵ Scope 1 are all direct emission sources where the organisation has operational control. Scope 2 are emissions from electricity and district heating purchased by the Group. Scope 3 are emissions related to the Group's value chain, and is not owned or controlled directly by the company.

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Scope ⁵	Description	Emissions in tonnes CO ₂ eqv			
		2021	2022	2023	% change
	District Heating - location	2.2	3.6	4.0	11%
Scope 3	Scope 3 total	32 403.8	26 433.3	40 122.7	52%
	Purchased goods and services	25 650.3	19 528.8	34 975.5	79%
	Fuel- and energy not included in scopes 1 and 2	1.9	2.3	2.9	26%
	Waste generated in operations	4.9	6.6	9.0	36%
	Business travels	1.2	n/a ⁶	376.6	-
	Employee commuting	5.7	13.9	36.9	165%
	Downstream transport	6 208.2	6 387	4 079.0	-36%
	Use of sold products	453.3	420.1	551.6	31%
	End-of-life treatment of sold products	78.3	73.7	91.2	24%
Sum	All emissions scopes 1, 2 & 3	32 408	26 438	40 129	52%

reMarkable does not have any scope 1 emissions, and only small scope 2 emissions related to energy use in our Oslo office. In 2023 we utilized four different office locations. The increase in scope 2 emissions is mainly due to an increased number of employees.

reMarkables main impact is from value chain activities, scope 3, with purchased products and services amounting to 87% of total emissions. The 52% increase from 2022 to 2023 in scope 3 is due to an increased amount of bought products and methodological changes in the emission factors used. The emissions factors used for this year's reporting are based on more primary data and product carbon footprints performed on the accessories. These two aspects combined entailed a higher emission for this category.

Downstream transportation and distribution, mainly consisting of air freight, represents 10% of the total emissions for 2023. Even though the number of sold units increased for 2023, the downstream transportation and distribution processes have undergone enhancements resulting in a reduction in transportation emissions. While the exact cause of this reduction is not explicitly determined, it is likely attributed to the concerted efforts towards sustainability initiatives and the improved logistical efficiency implemented by DHL. These efforts encompass various factors such as optimizing shipment weight, streamlining routes, and implementing eco-friendly transport modes.

Going forward, we will use the data collected as a baseline for setting climate targets and work to radically reduce our GHG emissions in the coming years.

⁶ The data for business travels in 2022 were not available, but we estimate them to be significantly higher than in 2021 due to increased number and distance of business travels

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Parent company financial review

There was immaterial operational activity in 2023 for reMarkable Holding.

The net loss for the year is booked against retained earnings in equity.

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.

reMarkable Holding Group and reMarkable Holding AS

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Board member

Oslo (Norway)

19 June 2024

reMarkable Holding Group and reMarkable Holding AS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in USD thousand</i>	Notes	2023	2022
Revenue from contracts with customers	3.2	338 078	265 730
Total operating income		338 078	265 730
Cost of materials	6.1	(176 017)	(131 766)
Employee benefit expenses	3.3	(41 730)	(32 383)
Other operating expenses	3.4	(82 803)	(97 993)
Depreciation and amortization	4.1, 4.2, 5.4	(8 970)	(6 943)
Operating profit/(loss)		28 558	(3 355)
Financial income		1 538	206
Financial expenses		(3 564)	(1 742)
Other financial gains/(losses)		557	(2 523)
Net financial result	3.6	(1 469)	(4 058)
Profit/(loss) before income tax		27 089	(7 413)
Income tax (expense)/income	3.5	(6 642)	1 129
PROFIT/(LOSS) FOR THE YEAR		20 447	(6 284)
Net other comprehensive income/(loss)		-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		20 447	(6 284)
Attributable to:			
Equity holders of the parent		20 208	(6 210)
Non-controlling interests		239	(75)
		20 447	(6 284)

reMarkable Holding Group and reMarkable Holding AS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in USD thousand</i>	Notes	31 December 2023	31 December 2022	1 January 2022
ASSETS				
Non-current assets				
Intangible assets	4.2	42 967	25 160	13 735
Property, plant and equipment	4.1	4 186	5 610	5 345
Net deferred tax assets	3.5	509	2 770	953
Other non-current financial assets	5.2	5 415	5 475	462
Total non-current assets		53 077	39 015	20 495
Current assets				
Inventories	6.1	42 141	25 008	46 071
Trade receivables	6.2	9 758	2 608	6 254
Other current assets		5 420	4 570	5 053
Cash and cash equivalents	6.3	95 716	55 071	76 087
Total current assets		153 035	87 257	133 464
TOTAL ASSETS		206 112	126 272	153 959

reMarkable Holding Group and reMarkable Holding AS

<i>Amounts in USD thousand</i>	31 December 2023	31 December 2022	1 January 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital 5.8	299	299	302
Share premium 5.8	19 214	19 214	19 214
Treasury shares	-	-	(3)
Retained earnings	30 726	10 517	16 727
Other equity	8 533	8 661	7 654
Equity attributable to equity holders of the parent	58 772	38 691	43 894
Non-controlling interests	519	285	348
Total equity	59 291	38 976	44 242
LIABILITIES			
Borrowings 5.3	47 748	-	-
Lease liabilities 5.4	-	274	1 450
Non-current provisions 6.5	-	154	170
Other non-current liabilities	-	-	-
Total non-current liabilities	47 748	428	1 620
Trade and other payables 6.4	32 825	31 322	20 441
Lease liabilities (current portion) 5.4	136	1 221	1 203
Borrowings 5.3	1 340	14 379	25 528
Current tax liabilities	4 476	779	4 836
Current provisions 6.5	2 090	873	717
Other current liabilities 6.4	58 206	38 294	55 372
Total current liabilities	99 073	86 868	108 097
Total liabilities	146 821	87 296	109 717
TOTAL EQUITY AND LIABILITIES	206 112	126 272	153 959

reMarkable Holding Group and reMarkable Holding AS

**Magnus Haug
Wanberg**

Chair of the Board

Marius Juul Møller

Board member

Kevin Thau

Board member

Susanne Lunde

Board member

Geir Kristian Faller

Board member

Oslo (Norway)

19 June 2024

reMarkable Holding Group and reMarkable Holding AS

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in USD thousand</i>	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		27 089	(7 413)
Adjustments for:			
Depreciation and amortization	4.1, 4.2, 5.4	8 970	6 943
Net financial income and expenses	3.6	1 669	694
Net foreign exchange differences		2 857	(303)
Working capital changes:			
Decrease (increase) in inventories		(17 133)	21 063
Decrease/(increase) in trade receivables, contract assets and prepayments		(8 000)	4 129
Change in trade payables, contract liabilities and other payables relating to operating activities		21 473	(6 303)
Change in provisions relating to operating activities		1 217	156
Changes in other receivables and payables		-	-
Income tax paid		(727)	(4 432)
Interests received		1 538	206
Net cash flow from operating activities		38 953	14 740
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Expenditures on intangible assets	4.1	(23 863)	(16 104)
Payment of deposits		60	(5 013)
Expenditures on property, plant and equipment	4.2	(1 490)	(2 529)
Net cash flow from investing activities		(25 293)	(23 646)
CASH FLOW FROM FINANCING ACTIVITIES:			
Payments of loans and borrowings	5.5	(14 379)	(25 528)
Interests paid	5.5	(1 980)	(902)
Cash receipt from borrowings	5.5	44 786	14 379
Payment of principal portion of lease liabilities	5.5	(1 309)	(1 079)
Transactions with non-controlling interests		(133)	1 019
Net cash flow from financing activities		26 985	(12 110)
Net increase/(decrease) in cash and cash equivalents		40 645	(21 016)
Cash and cash equivalents at the beginning of the period		55 071	76 087
Cash and cash equivalents at the end of the period		95 716	55 071

reMarkable Holding Group and reMarkable Holding AS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD thousand</i>	Equity attributable to holders of the parent						Non-controlling interests	Total equity
	Share capital (section 5.8)	Share premium (section 5.8)	Treasury shares	Retained earnings	Other equity	Total		
Balance at 1 January 2022	302	19 214	(3)	16 727	7 654	43 894	348	44 242
Profit/(loss) for the year	-	-		(6 210)	-	(6 210)	(75)	(6 285)
Acquisitions by non-controlling interests					1 007	1 007	12	1 019
Cancelled treasury shares	(3)	-	3	-		-	-	-
Balance at 31 December 2022	299	19 214	-	10 517	8 661	38 691	285	38 976
						-		
Balance at 1 January 2023	299	19 214	-	10 517	8 661	38 691	285	38 976
Profit/(loss) for the year	-	-		20 208	-	20 208	239	20 447
Acquisition of non-controlling interests by the owners of the parent					(128)	(128)	(5)	(133)
Balance at 31 December 2023	299	19 214	-	30 726	8 533	58 772	519	59 291

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SECTION 1 Group information and basis of preparation

This section includes information on corporate information, Group structure, basis of preparation and an overview of general accounting policies and critical accounting judgements and estimates in the Group.

reMarkable Holding Group and reMarkable Holding AS

1.1 Corporate information

reMarkable Holding AS (“the Company”) is the parent company in the reMarkable Group (referred to as “reMarkable” or “reMarkable Group”), whose main subsidiaries are reMarkable AS, reMarkable Invest AS and reMarkable Employee Share Holding I AS. reMarkable AS is the operating entity of the reMarkable Group and is a Norwegian company that develops, markets, and sells consumer electronics products termed ‘paper tablets’ and associated accessories.

The registered office of reMarkable Holding AS is located at Fridtjof Nansens vei 12 in Oslo, Norway (changed from Biermanns gate 6 in Oslo, Norway, in March 2024). The Company was registered on 19 October 2018 and founded on 12 September 2018.

These consolidated financial statements of reMarkable Holding AS for the year ended 31 December 2023, and comparative period for 31 December 2022, with date of transition to IFRS® Accounting Standards as adopted by the European Union (EU) on 1 January 2022, were authorized for issue in accordance with a resolution of the board of directors on 19 June 2024. These financial statements are to be approved by the annual general meeting in June 2024.

1.2 Basis of preparation

These are the first annual consolidated financial statements prepared by the Group in accordance with the IFRS Accounting Standards as adopted by the European Union (EU). See more details on the effects of the transition to IFRS in Section 8. The financial statements are presented in USD and all amounts are rounded to the nearest thousand, unless stated otherwise.

These 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.

These consolidated financial statements have been prepared following the historical cost basis, with no material exceptions.

1.3 New standards and interpretations adopted by the Group and other changes in accounting policies

As required by IFRS 1 - First-time Adoption of International Financial Reporting Standards, the Group has applied the same accounting policies for all periods presented in the financial statements (including financial position at date of transition to IFRS Accounting Standards). These accounting policies are the ones including all standards, amendments and interpretations effective for the annual periods beginning on or after 1 January 2023.

1.4 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group’s future reporting periods and foreseeable future transactions.

reMarkable Holding Group and reMarkable Holding AS

1.5 Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change.

Management believes the underlying assumptions are appropriate.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different when, and to the extent that, the uncertainty is resolved. These areas are as follows:

- capitalization of integrations and implementation costs incurred in cloud service contracts. See Note 4.2 for further details on this critical judgement.

1.6 Group structure

reMarkable Holding AS is the parent of the reMarkable Group. reMarkable Holding AS's purpose and business consists of owning shares in its subsidiaries. reMarkable AS is the operating entity of the reMarkable Group which develops, markets and sells consumer electronics products termed 'paper tablets' and associated accessories. reMarkable Invest AS's purpose is to own shares in reMarkable AS as well as issue its own shares to reMarkable Employee Share Holding I AS (RESHI) through share issues for employees.

The reMarkable Holding Group is comprised of the following subsidiaries:

Name of entity	Place of business / country of incorporation	Direct and indirect ownership interests by the Group (%)			Principal activities
		1 January			
		2023	2022	2022	
reMarkable Invest AS	Norway	98.84	98.81	98.86	Owning shares in reMarkable AS
reMarkable AS	Norway	98.84	98.81	98.86	Operating company within the reMarkable Invest Group
reMarkable Employee Shareholding I AS	Norway	41.65	40.58	42.59	Invest in and participate in other companies

The Company owned 67% of the voting rights in reMarkable Employee Shareholding I AS at the end of the comparative periods presented. These voting rights are as a consequence of the A-Shares held by the Company. These voting rights confer the Company control over reMarkable Employee Shareholding I AS.

reMarkable Holding Group and reMarkable Holding AS

1.7 Significant transactions and events during the reporting period

The main transactions and events in relation to the Group are the following ones:

Transactions and events	Disclosure notes
The Group issued a bond denominated in NOK, for a nominal amount of NOK 500 million.	Sections 5.1 and 5.3

Other than those noted above, the Group has presented the material information of its financial position, highlighting any material changes, policies, judgements and estimates in the Group for the period presented.

SECTION 2 Summary of general accounting policies, estimates and judgements

Overview

This section includes an overview of the general accounting policies, which are those that do not relate to a specific line item in the financial statements, and it also includes reference to any significant judgements and estimates used when applying the Group's accounting policies.

reMarkable Holding Group and reMarkable Holding AS

2.1 Consolidated financial statements

The consolidated financial statements of the Group include those of reMarkable Holding AS and companies which reMarkable Holding AS has a controlling interest in. For reMarkable Group this comprises its subsidiaries reMarkable Invest AS, reMarkable AS and reMarkable Employee Shareholding I AS.

2.2 Foreign currency

2.2.1 Functional currency

The reMarkable Group presents its financial statements in USD, which is also the functional currency of the companies within it.

Accounting judgements – determination of functional currency

Management has assessed the functional currency of reMarkable AS. Based on an analysis of its primary indicators (i.e., sales and operating expenses), it is concluded that the dominating currency is USD. This is mainly supported by degree of sales nominated in USD with respect to other currencies, the competitive force of the US in these markets, and the vast majority of production costs of inventory being nominated in USD.

For reMarkable Holding AS (Holding company in the Group) it is concluded that this company has no activities of its own (other than being the holding company) and therefore it is regarded as an extension of one of its subsidiaries, reMarkable AS.

The Group will reassess the functional currency of the companies within the Group when there is a change in events and conditions which determine the primary economic environment assessment.

2.2.2 Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition, at the spot rate at which the transaction qualifies for recognition under IFRS, unless applying average rates for the month would give a fair approximation to using the actual rates. For monetary items, the difference between the spot exchange rate at reporting date (or settlement date) and initial rate is recognized in the consolidated statement of comprehensive income, at each reporting date and until the moment of the settlement.

Non-monetary items are translated using the rates at initial recognition.

2.3 Statement of cash flows

The reMarkable Group presents interests paid in financing activities whereas those received are presented in its operating activities.

reMarkable Holding Group and reMarkable Holding AS

2.4 Government grants

The reMarkable Group has received approval of two “SkatteFUNN” projects for the period of 2021-2023.

Both for 2023 and 2022 the sum of the funding for the projects was NOK 4 750 thousand (equivalent to USD 467 thousand and USD 482 thousand, respectively), which has reduced capitalized development in the consolidated statement of financial position and will be subsequently recognized to profit or loss through reduced depreciations.

SECTION 3 Results of the year

Overview

This section includes disclosures in relation to the financial performance of the Group over the periods presented, including those relating to financing activities.

reMarkable Holding Group and reMarkable Holding AS

3.1 Segment information

reMarkable's business is to develop, market, and sell consumer electronics products termed 'paper tablets', as well as associated accessories.

Operating segments are components of the Group regularly reviewed by the chief operating decision maker ("CODM") to assess performance and be able to allocate resources. The CODM in reMarkable is the board of directors. The reMarkable Group as a whole is operated as a single segment. See note 3.2 for a disaggregation of revenue based on the major class of products in the Group.

During 2023, revenues from one of the Group's customers amounted to more than 10% of the Group's total revenues, totaling USD 48 million. No individual customers represented more than 10% of the Group's total revenues during 2022.

Revenue from external customers in Norway amounted to 0.7% (2022: 0.8%), and non-current assets to USD 40 million (2022: USD 29 million). Non-current assets held by the Group outside Norway are mainly located in Hong-Kong and constitute production machinery.

The only individually material country in terms of revenue for the Group is the United States of America, where the Group obtained USD 176 million of its revenue during 2023 (2022: USD 158 million). Revenue is attributed geographically based on the location of the Group's customers.

3.2 Revenue from contracts with customers

3.2.1 Ordinary activities of the Group

reMarkable Group's ordinary activities are to sell consumer electronics products termed 'paper tablets', associated accessories and subscriptions to its cloud-based solution, for value-added content and services, such as improved connectivity and additional storage space.

The majority of revenue from contracts with customers arise from the sale of the reMarkable device and its accessories from both the reMarkable website (directly to end-user) and through retailers and distributors.

During the periods presented in the financial statements, the Group's sales of tablets included the right for users access to the subscription offering (Connect) for up to one year, extended warranty period and extended return period. Services mentioned other than access to cloud cannot be obtained separately from the purchase of a tablet.

The Group's revenue can be disaggregated based on lines of product considering mainly the nature and uncertainties within each of these categories.

Accounting policies

Identification of contracts with customers and performance obligations

The Group acts as a principal on the sale of its products to customers. Two performance obligations are broadly identified in the Group: goods (mainly tablets and accessories) and access to cloud-based solutions (bundled or not with additional services).

Performance obligations for the sale of goods are satisfied at a point in time, mainly based on when risks are transferred to customers, when there is right to payment, and physical delivery has been completed in accordance with contractual terms (incoterms or otherwise stated). This means

reMarkable Holding Group and reMarkable Holding AS

that the Group typically recognized revenue upon delivery to end customers, or upon delivery in accordance with incoterms (typically DAP and DDP) to the retailers or distributors.

Services provided by the Group are satisfied linearly over the service period time, including those relating to extended warranty (service-type warranties). For service performance obligations associated with the sale of tablets, the Group applies the standard to its portfolio of performance obligations, as the Group reasonably expects that effects from applying the portfolio approach would not differ materially from the application on a contract-by-contract basis.

Goods delivered by reMarkable are typically prepaid when sales are directly made to end customers, and it ranges between 10 to 30 days after invoice date for retailers and distributors.

Transaction price

Irrespective of the sales channel, the transaction price for the sale of goods includes a variable element from the expected returns by customers (see Section 6.4 for further disclosures). Goods sold with a right of return are recognized as 'refund liabilities' within 'other current liabilities', with a corresponding decrease in revenue for the period. The right-of-return asset ('return assets') is recognized as 'other current assets' with a corresponding decrease in the 'cost of materials' of the Group.

For countries where taxes and duties on imports are included in final price to customers, the Group has applied judgement and concluded that it acts as an agent for such amounts, and therefore presents revenue net from payments to tax authorities. Judgement considered factors triggering the payment of the tax, risks held by reMarkable and the tax being based on sales price of the good.

The Group typically incurs payments to its customers for placement services (physically or in its clients' own sites, analogous to slotting fees) as a reduction in revenue. Otherwise, the Group recognizes consideration to customers in the same way as normal purchase of services, and typically include content creation and optimization.

The transaction price for the sale of goods and services in the Group also contains elements of variable consideration such as sales bonuses, discounts and rebates, which are recognized as reductions of revenue based on the expected values, but for which the Group considers no significant judgements or estimates are involved.

Allocation of transaction price to performance obligations

As indicated above, sales of tablets include some attached services. The Group estimates the value of the attached services mainly by reference to their market prices when sold separately.

reMarkable Holding Group and reMarkable Holding AS

3.2.2 Revenue disaggregation

Revenue by major class of products	2023	2022
<i>(Amounts in USD thousand)</i>		
Sales of devices and accessories (point in time)	320 780	249 400
Sale of subscriptions (over time)	17 298	16 331
Total revenue from contracts with customers	338 078	265 730

Taxes paid on imports are recognized as reduction of revenue and amounted to USD 11 534 thousand in 2023 (2022: USD 10 295 thousand).

3.2.3 Contract liabilities

The Group's contract liabilities mainly arise from the payment for the sale of tablets and accessories before control has been transferred to the customers, and from Connect subscription services. Sales of goods are typically recognized within days, and subscription services throughout the prepaid period (up to 12 months).

Return liabilities are not considered contract liabilities for the Group. These are classified on 'trade payables and other current liabilities' (see Section 6.4).

The Group held the following contract liabilities and the end of the periods presented:

	31 December 2023	31 December 2022	1 January 2022
Total contract liabilities			
<i>(Amounts in USD thousand)</i>			
Prepaid services	9 975	6 775	1 624
Prepaid goods	876	3 486	1 670
Total contract liabilities	10 851	10 261	3 294

The movement in contract liabilities during the period affecting revenue has been the following:

Movement in prepaid services	2023	2022
<i>(Amounts in USD thousand)</i>		
1 January	6 775	1 624
Increase during the year due to new sales	9 975	6 607
Decrease due to revenue from satisfaction of performance obligation	(6 775)	(1 456)
31 December	9 975	6 775

Additionally, all advances from customers for provision of goods, recognized as contract liabilities at 31 December 2022, have been recognized as revenue during 2023.

reMarkable Holding Group and reMarkable Holding AS

3.3 Employee benefits

The number of year-equivalent employed by the Group over the 2023 financial period has been 431 (2022: 301). The Group's remuneration to employees mainly includes salaries, bonuses, and other benefits.

Employee benefits for the periods presented in the financial statements are disaggregated as follows:

Employee benefit expenses	2023	2022
<i>(Amounts in USD thousand)</i>		
Salaries (incl. holiday pay, insurance and other working benefits) and bonuses	38 168	28 587
Payroll tax	5 275	3 753
Defined contribution pension costs	6 343	4 420
Other benefits	1 302	1 221
Total employee benefit expenses	51 088	37 981
Capitalization of employee benefits	(9 358)	(5 598)
Total employee benefits net of capitalizations	41 730	32 383

The capitalization of employee benefit expenses is mainly due to works performed by the Group's employees developing new products and software recognized as intangible assets. See Section 4.2 for further disclosures.

3.3.1 Pension schemes

The Group is required to have an occupational pension scheme for its employees in accordance with the Norwegian law on required occupational pension. The Group's pension scheme meets the requirements of that law. Employees covered by the Group's pension scheme amounted to 431 at 31 December 2023 (31 December 2022: 301; and 1 January 2022: 189).

reMarkable Holding Group and reMarkable Holding AS

3.3.2 Employee share purchase program

reMarkable Holding AS (parent controlling reMarkable Invest AS) offers reMarkable AS' employees the possibility to invest in the reMarkable Invest AS through the purchase of shares in reMarkable Employee Share Holding I AS, which is a company controlled by reMarkable Holding AS and that owns shares in reMarkable Invest AS. See Section 1.6 for further information on the Group's ownership structure.

The purpose of the employee share program is to give employees the opportunity to participate in the value creation of reMarkable AS. All employees of reMarkable AS and individuals who have signed employment with reMarkable AS are eligible to invest. The employee's investment is limited to a share of their annual salary. The employees have a vesting period of 3 years. Until the vesting period is completed, reMarkable Holding AS has to different extents the right to repurchase the shares at the lower of purchase price equal to the consideration paid by the employee or the current market value.

The subscription price is deemed to equal the fair value of the reMarkable Employee Share Holding I AS' shares. Management has analyzed whether there is any difference between the fair value of the shares and the subscription price, and it has been concluded that this difference is expected to be negligible if any. Consequently, no employee benefits have been recognized.

The overall investment made by employees during 2023 and 2022 amounted to nil, and USD 1.2 million, respectively.

reMarkable Holding Group and reMarkable Holding AS

3.4 Other operating expenses

Other operating expenses incurred by the Group can be disaggregated as follows:

Other operating expenses	2023	2022
<i>(Amounts in USD thousand)</i>		
Selling and distribution services	57 430	73 971
Audit, legal, and other consulting fees	14 987	14 705
Software license fees and implementation costs	3 143	3 905
Short-term and low values leases	4 343	3 109
Others	2 900	2 303
Total other operating expenses	82 803	97 993

3.4.1 Fees to statutory auditors

The total remuneration to the auditor for the periods presented in these financial statements has been the following:

Remuneration to auditors	2023	2022
<i>(Amounts in USD thousand)</i>		
Statutory auditing	316	236
Other certification services	8	8
Tax advice	16	10
Other non-auditing services	242	43
Total remuneration to auditors	582	297

reMarkable Holding Group and reMarkable Holding AS

3.5 Income tax

Accounting policies

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred taxes are calculated at 22% of the temporary differences between book value and tax values, in addition to tax losses carried forward at the end of the accounting year.

The income tax rate has been determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realized, or the deferred income tax liabilities are settled.

3.5.1 Income tax expense

Income tax	2023	2022
<i>(Amounts in USD thousand)</i>		
Current income tax	4 381	689
Changes in deferred tax	2 261	(1 817)
Tax cost in P&L	6 642	(1 129)
Current income tax	4 381	689
Tax on group contribution	-	(26)
Tax payable	4 381	663
Calculation of effective tax rate		
Calculated tax on profit before tax with 22%	5 960	(1 631)
Tax effect of permanent differences	682	502
Total calculated tax expense	6 642	(1 129)
Effective tax rate	25 %	15 %

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.

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3.5.2 Reconciliation of deferred tax

Reconciliation of deferred tax	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Fixed assets	3 668	(2 704)	(224)
Inventory	(958)	3 146	11 230
Other current assets	-	1 097	872
Contract liabilities	-	(6 330)	(1 339)
Short-term debt	(4 109)	(7 533)	(14 628)
Right-of-use asset	462	1 522	2 823
Lease liabilities	(136)	(1 495)	(2 653)
Provisions	(152)	(154)	(170)
Recognized tax losses carried forward	(928)	-	-
Other translation differences	(160)	(142)	(32)
Net differences	(2 313)	(12 593)	(4 121)
Not included in DTA		-	(210)
Deferred tax asset base	(2 313)	(12 593)	(4 330)
Deferred tax asset based on 22%	(509)	(2 770)	(953)

The Group did not have any unrecognized tax losses carried forward at any of the reporting periods presented. The Group may in the future offset these tax losses carried forward with taxable income from other subsidiaries in the Group.

The decrease in the deferred tax asset of the Group during 2023 is mainly explained by a change in the Group's applied principles for tax accounting for certain areas, including revenue from contracts with customers. This effect resulted in a decrease of deferred tax assets of USD 1.7 million, with an offsetting effect on current income tax.

3.6 Financial result

Net financial result	2023	2022
<i>(Amounts in USD thousand)</i>		
Financial income	1 538	206
Interest income on bank deposits	1 538	206
Financial expenses	(3 564)	(1 742)
Interests on borrowings	(3 147)	(810)
Interests on lease liabilities	(60)	(90)
Other financial expenses	(357)	(842)
Net foreign currency gains (losses)	557	(2 523)
Net financial result	(1 469)	(4 058)

The increase in the interests on borrowings is mainly due to the new borrowings entered into during 2023. See Section 5.3 for further disclosures.

SECTION 4 Invested capital

Overview

This section includes disclosures in relation to the capital invested by the Group in its tangible and intangible assets.

reMarkable Holding Group and reMarkable Holding AS

4.1 Property, plant and equipment

4.1.1 Classes of PPE assets held by the Group

The Group's property, plant and equipment (PPE) mainly consists of production machinery, and office equipment (including those in relation to information technology such as laptops, servers and similar nature). Additionally, the Group also presents right-of-use assets together with its PPE, which mainly comprise its headquarter offices in Oslo.

Accounting policies

The Group initially recognizes its PPE at cost, and subsequent cost is accounted at initial cost minus accumulated depreciation and impairments.

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4.1.2 Reconciliation of carrying amounts

The following table includes a reconciliation of the carrying amount of the property, plant and equipment held by the Group:

Property, plant and equipment <i>(Amounts in USD thousand)</i>	Machinery and equipment	Leasehold improvements	Right-of-use assets	Total
Year ended 31 December 2022				
Cost	643	1 861	3 150	5 654
Accumulated depreciation and impairment	(155)	(154)	-	(309)
Opening book amount	488	1 707	3 150	5 345
Additions	2 308	-	221	2 529
Depreciation charge	(328)	(594)	(1 342)	(2 264)
Cost	2 951	1 861	3 371	8 183
Accumulated depreciation and impairment	(483)	(748)	(1 342)	(2 573)
Closing book amount	2 468	1 113	2 029	5 610
Year ended 31 December 2023				
Additions	1 490	-	-	1 490
Depreciation charge	(845)	(565)	(1 504)	(2 914)
Cost	4 441	1 861	3 371	9 673
Accumulated depreciation and impairment	(1 328)	(1 313)	(2 846)	(5 487)
Closing book amount 31 December 2023	3 113	548	525	4 186

The increase in machinery and equipment by the Group is mainly explained by the investment in the manufacturing facilities where reMarkable goods are produced.

Accounting estimates – useful lives and depreciation methods

The following depreciation methods and useful lives have been identified for each of the class of PPE assets identified in the Group:

	Machinery and equipment	Leasehold improvements	Right-of-use assets
Depreciation method	Straight-line	Straight-line	Straight-line
Useful life	3-5 years	Less than 1 year	Less than 1 year

The Group reviews useful life of its PPE assets at least at each period end, considering factors such as their obsolescence and expected levels of wear and tear.

The useful life of the right-of-use assets represents the remaining lease term held by the Group.

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4.2 Intangible assets

4.2.1 Classes of intangible assets held by the Group

The Group identifies the following major classes of assets based on their nature and use for the Group:

Own-developed technology	Own-developed technology includes the development of the technology related to tablets, products and services produced by the Group. This also includes improvement of design and functionalities of existing products and new products.
Software	Software held by the Group is mainly comprised by the Group’s enterprise resource planning systems, and other systems linked to design, production and analysis of the Group’s activities as well as integrations between them. This category also includes the Group’s own work made on software controlled by the Group.
Patents and other rights	Patents include the development of products or functionalities. This mainly comprise acquired patents. Other rights comprise online store development.

Accounting policies

The Group recognizes its intangible assets, initially at cost, and subsequently at cost, minus accumulated depreciation and impairments.

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4.2.2 Reconciliation of carrying amounts

The following table includes a reconciliation of the carrying amount of the intangible assets held by the Group:

Intangible assets	Own-developed technology	Software	Patents and other rights	Total
<i>(Amounts in USD thousand)</i>				
At 1 January 2022				
Cost	20 496	127	27	20 650
Accumulated amortization	(6 850)	(57)	(8)	(6 915)
Opening book amount	13 646	70	19	13 735
Additions	7 874	1 437	1 149	10 460
Additions from internal development	5 644	-	-	5 644
Amortization	(4 561)	(6)	(112)	(4 679)
Cost	34 014	1 564	1 176	36 754
Accumulated amortization	(11 411)	(63)	(120)	(11 594)
Closing book amount	22 603	1 501	1 056	25 160
Year ended 31 December 2023				
Additions	8 446	3 325	1 905	13 676
Additions from internal development	8 032	2 155	-	10 187
Amortization	(5 647)	(9)	(400)	(6 056)
Cost	50 492	7 044	3 081	60 617
Accumulated amortization	(17 058)	(72)	(519)	(17 650)
Closing book amount	33 434	6 972	2 561	42 967

Capitalized expenditures on own-developed technology are related to improvements made on existing products and development of new products, accessories and software amounted to a total of USD 16.5 million during 2023 (2022: USD 13.5 million).

Additions to software during 2023 and 2022 are mainly related to the enterprise resource planning (ERP), supply chain and customer management systems' implementation. The Group performed significant integrations between the systems to enable proper data flows between the aforementioned systems, and other systems held the Group. Total expenditure for these projects, excluding ongoing costs to access to the cloud systems, amounted to USD 7.2 million in 2023, and an additional USD 4.2 million in 2022. Out of these amounts, the Group capitalized as part of its intangible assets USD 5.4 million in 2023, and USD 1.4 million in 2022, which required the exercise of significant judgement by Management, as further described below.

Critical accounting judgement – capitalization of integrations and implementation costs incurred in cloud service contracts

A significant amount of the Group's software assets is cloud-based systems, where the code resides in the seller's hardware, and the Group can access it through an internet connection.

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When capitalizing costs in relation to implementing software as a service systems, the Group applies significant judgement to specifically assess whether the code produced during customizations (i.e., actions leading to new or improved functionalities) and integrations between systems is controlled by the Group, either through copyright over the code, or through ownership of a copy over the code. Specifically, when the Group obtains ownership over a copy over the code, the Group considers decision making over that copy, such as relevant decisions over updates or maintenance, and its ability to restrict others to access the Group's copy of the additional code.

Intangible assets resulting from capitalized expenditures in relation to software as a service system are expensed over the contractual term of the SaaS arrangement and including any expected renewals until useful life of the developed assets are completed.

Accounting judgement – capitalization of internally generated intangible assets

The Group exercises significant judgement when deciding on the capitalization of its development projects. The area of judgement comes to assessing whether all the requirements as stated in IAS 38 have been met, particularly when differentiating research from development phase, where the Group relies on its internal processes to document such conclusions. In deciding the project phase, Management relies on each specific development project reaching a milestone in the development phase where the technological feasibility and economic viability of the project is confirmed.

Accounting estimates – useful lives and amortization methods

The amortization method, and the useful lives of by class of intangible assets are the following:

	Development	Software	Patents	Other rights
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line
Useful life	3-5 years	15 years	10 years	5 years

Management reassesses at each financial year-end, or earlier if Management identifies any specific indications, the remaining useful lives of its intangible assets. Specifically, for its software assets, Management considers technical, technological or commercial obsolescence are the most relevant factors in determining useful life. For development, Management considers the expected product life cycles independently and in relation to the industry.

SECTION 5 Capital and debt structure

Overview

This section includes disclosures in relation to the capital and debt structure of the Group, including the material items in relation to borrowings, and information about the equity of the Group.

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5.1 Financial instruments

This section contains an overview of the Group's financial assets and liabilities. None of the financial instruments held by the Group are measured at fair value. The financial instruments' amortized cost is considered to be a close approximation to their fair value.

Financial assets	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Financial assets at amortised cost:			
Other non-current financial assets	5 415	5 475	462
Trade receivables	9 758	2 608	6 254
Cash and cash equivalents	95 716	55 071	76 087
Total financial assets	110 889	63 154	82 803
Financial liabilities	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Financial liabilities at amortised cost:			
Bonds	49 088	-	-
Supply chain financing	-	14 379	25 528
Lease liabilities	136	1 495	2 653
Trade and other payables	32 825	31 322	20 441
Total financial liabilities	82 049	47 196	48 622

5.2 Non-current financial assets

Non-current financial assets mainly consist of deposits for the lease of the office space the Group is going to commence in 2024. These deposits amounted to USD 5 346 thousand at 31 December 2023 (31 December 2022: USD 5 407 thousand). See Section 5.4 for further information on lease commitments.

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5.3 Borrowings

The Group enters into borrowings to finance its operations. Over the periods presented, the main form of financing has been through a bond issued during 2023, and through its supply chain financing arrangement. This supply chain financing agreement has been available during all reporting periods presented.

Accounting policies

Borrowings are initially recognized at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortized cost. Any difference between the net proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Supply chain financing

The Group presents amounts held from its supply chain facilities as part of its borrowings. In deciding this presentation, the Group considers the nature, commercial purpose and specific terms of the agreement.

For presentation in the statement of cash flows, see Section 2.3.

The following table disaggregates interest-bearing loans held by the Group:

Overview of borrowings	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Non-current			
Bonds	47 748	-	-
Total non-current borrowings	47 748	-	-
Current			
Bonds and other borrowings	1 340	-	1 887
Supply chain financing	-	14 379	23 641
Total current borrowings	1 340	14 379	25 528
Total borrowings	49 088	14 379	25 528

The increase in borrowings during 2023 is due to the issuance of a bond for a nominal amount of NOK 500 million bond, whose nominal amount has been reduced by the directly attributable costs from issuing the bond.

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5.3.1 Main terms and conditions

Bond agreement

The bond was issued in October 2023, for a nominal amount of NOK 500 million, and accruing interests at 3 months NIBOR plus 7% margin. The Group does not pay any principal until maturity date (October 2027), and interest is paid quarterly.

Provided that the Group is in compliance with certain ratios in relation to net interest bearing debt and EBITDA, the Group has the possibility to issue up to additional NOK 500 million in bonds, subject to the same terms and conditions as the original bond, but with separate issuance process to be followed.

The Group has the possibility to early repay its bond at any time, with certain compensations to bondholders for lost interest, and the possibility to early repay up to 35% of the bond upon the Group's equity becoming listed. These options are found to be not closely related to the host contract, however it has been concluded that these options have negligible value for the Group in the current circumstances.

The bondholders also have the possibility of early repayment of the bond due to change of control or unfavorable tax events. These options are considered to be closely related to the host agreement and therefore they have not been separately recognised by the Group.

Supply chain financing

In June 2022, the Group signed a supply chain financing agreement, which gave access to up to USD 20 million (increased to USD 25 million by year-end 2022) of uncommitted credit facility for the settlement of invoices issued by its main suppliers. The interest rate is determined by a 3.5% margin plus LIBOR (London Interbank Offered Rate). Credit term is up to 90 days after the supplier's invoices fall due. This agreement was updated during 2023 leaving terms mentioned substantially unchanged. Margin was updated to 3.55% plus 3 months SOFR (Secured Overnight Financing Rate).

5.3.2 Compliance with covenants

The Group is subject to financial covenants for its borrowings, whose main characteristics are described further below.

All covenants were met throughout the reporting periods presented in these financial statements, and there are no indications that the Group may have difficulties complying with the covenants in the foreseeable future.

Bond agreement

At year-end 2023, the Group is subject to the following financial covenants in relation to its bond, which was issued by the subsidiary reMarkable Invest AS, and of which the Company is one of the guarantors:

- At all times, minimum liquidity of NOK 100 million (or its equivalent in other currencies). Liquidity includes cash and cash equivalents; any unutilized and available amounts under SSRCF (super senior revolving credit facilities); and any credit of any Group company on any payment processing platform.

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- EBITDA of no less than NOK 150 million (or its equivalent in other currencies) for each 12 month period ending at the end of each quarter, or Leverage Ratio not greater than 4.0:1. Leverage ratio is defined as net interest bearing debt to EBITDA. Compliance is measured at the end of each quarter.

These financial covenants are measured based on the consolidated annual and interim financial information prepared by reMarkable Invest AS, in accordance with the generally accepted accounting practices and principles (GAAP) in the jurisdiction in which reMarkable Invest AS is incorporated. In this case, reMarkable Invest AS issues annual and interim consolidated financial statements in accordance with IFRS Accounting Standards, with first reporting date 31 December 2023, and date of transition 1 January 2022.

Supply chain financing

The Group is also subject to financial covenants in its supply chain financing agreement. These financial covenants were updated during 2023 and became similar to those for the bond agreement (see above), however those are measured at the level of reMarkable AS financial information in accordance with the applicable GAAP, which is IFRS Accounting Standards with first reporting date 31 December 2023, and date of transition 1 January 2022.

5.3.3 Assets pledged as security for liabilities

All assets of the Group are pledged for the outstanding bonds and other financing held at 31 December 2023. reMarkable AS, which is the main subsidiary of the Group, is one of the guarantors of the bond issued by reMarkable Invest AS during 2023. reMarkable Holding AS, which is the controlling entity over reMarkable Invest AS, is also a guarantor for the bond issued.

reMarkable Holding Group and reMarkable Holding AS

5.4 Leases

5.4.1 Nature of lessee's leasing activities

The Group's leasing activities mainly relate to office buildings. Additionally, the Group also leases IT equipment, furniture, and other small equipment.

Accounting policies

Right-of-use assets

The right-of-use assets are initially measured at cost. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairments and adjusted for certain remeasurements of the lease liabilities. Depreciation of the right-of-use asset is carried out using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities

Lease liabilities are recognized at the lease commencement date. The lease liabilities are measured as the present value of future lease payments, discounting by the Group's incremental borrowing rate.

Lease liabilities are measured at amortized cost using the effective interest rate method.

Short-term and low value leases

Except for its office buildings, the Group concludes the rest of the leases to meet the low value threshold, for which the Group elects to not account for right-of-use assets and lease liabilities.

Non-lease components

Non-lease components are separated from lease components in the Group and therefore not being considered in the estimation of the right-of-use assets and lease liabilities.

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5.4.2 Right-of-use assets

The Group's right-of-use assets only pertain to its office buildings, and the reconciliation of its carrying values have been disclosed in Section 4.1.

5.4.3 Lease liabilities

The Group's lease liabilities and movements during the period are the following ones:

Lease liabilities	2023	2022
<i>(Amounts in USD thousand)</i>		
At 1 January	1 495	2 653
Additions	55	224
Interest expense	62	92
Lease payments	(1 371)	(1 170)
Currency effects	(105)	(303)
31 December	136	1 495
Current	136	1 221
Non-current	-	274

Disclosures on the maturity of lease liabilities are provided in the table below:

Contractual maturities	31 December 2023	31 December 2022
<i>(Amounts in USD thousand)</i>		
Less than 1 year	136	1 426
Between 1 and 3 years	-	144
Total contractual cash-flows	136	1 570
Recognized as liabilities	136	1 570

5.4.4 Amounts recognized in the consolidated statement of comprehensive income

	2023	2022
<i>(Amounts in USD thousand)</i>		
Interest expense (included in finance cost)	62	92
Expense relating to short-term and low-value leases	4 338	3 108
Expense relating to depreciation	1 504	1 342

Total cash outflows for leases have been USD 5 709 thousand for 2023 (2022: USD 4 278 thousand), including short-term and low value leases.

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5.4.5 Other lease information

The Group had lease agreements not yet commenced as of the end of the reporting periods presented. The following table illustrates the undiscounted future lease payments, for the non-cancellable period of the leases:

Lease commitments	31 December 2023	31 December 2022
<i>(Amounts in USD thousand)</i>		
Less than 1 year	3 650	-
Between 1 and 3 years	7 299	7 533
Between 3 and 5 years	7 299	7 533
More than 5 years	18 248	22 598
Total lease commitments	36 496	37 663

This lease commitment mainly relates to the Group's new headquarter offices and excludes short-term and low value leases.

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5.5 Reconciliation of cash flows from financing activities

Reconciliation of cash flow from financing activities	Bonds and other borrowings	Supply chain financing	Lease liabilities	Total
<i>(Amounts in USD thousand)</i>				
Liabilities from financing activities at 1 January 2022	1 887	23 641	2 653	28 181
Cash outflows from payments of principal	(1 887)	(23 641)	(1 079)	(26 607)
Interests paid	(78)	(732)	(92)	(902)
Cash inflows from new borrowings	-	14 379	-	14 379
New leases	-	-	224	224
Interest expense	78	732	92	902
Foreign currency effects	-	-	(303)	(303)
Liabilities from financing activities at 31 December 2022	-	14 379	1 495	15 874
Cash outflows from payments of principal	-	(14 379)	(1 309)	(15 688)
Interests paid	-	(1 918)	(62)	(1 980)
Cash inflows from new borrowings	44 786	-	-	44 786
New leases	-	-	55	55
Foreign exchange adjustments	2 962	-	(105)	2 857
Interest expense	1 340	1 918	62	3 320
Liabilities from financing activities at 31 December 2023	49 088	-	136	49 224

5.6 Financial risks and capital management

This section covers the main risks to which the Group is exposed, and how the Group manages those risks. Those risks are mainly credit risk, liquidity risk and market risk. For each type of risk identified, this note discloses or cross-references to information about the Group's exposures to the risk, how it arises; the Group's objectives, policies, and processes for managing the risk and the methods used to measure the risk. The Group's senior management oversees the management of these risks.

5.6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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Trade receivables

Credit risk is mainly concentrated in the Group's trade receivables with customers, which mainly consist of receivables towards retailers and distributors.

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

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Group assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the sales to retailers and distributors, the Group makes ongoing assessments of the payment terms provided, the credit risk entailed, and any other instruments that can be used to mitigate risk. The Group's trade receivables are not generally covered by credit insurance.

The Group follows up the ageing of the trade receivables with customers on an ongoing basis. As of the 31 December 2023, 99.7% of trade receivables were either not due or due less than 30 days (31 December 2022: 95.6%).

Cash and cash equivalents

The Group manages its exposure towards credit risks of individual banks by considering the amount of deposits that can be held in a single bank, considering among other factors the credit rating of its banks.

The Group is also exposed to credit risks from its cash equivalents, which are amounts held in payment processor companies. The Group performs an individual analysis of each agreement with payment processors, and regularly follows up credit ratings reports of such companies.

Other non-current assets

Other non-current assets mainly relate to its deposits for leases (see Section 5.2). These deposits are established in specific bank accounts for such purpose, and therefore is not exposed to individual credit risks of the lease provider.

5.6.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages its liquidity risk by regularly monitoring its liquidity needs for working capital, and strategical investments, both for short-term and long-term needs, and periodically updates estimations through rolling forecasts. Additionally, the Group has access to additional liquidity, from its supply chain financing facility, another multifunctional currency line, and additional tap issues to its bond (see Note 5.3 for further details).

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5.6.2.1 Contractual maturities for financial liabilities

Contractual maturities of lease liabilities are disclosed in Note 5.4.3.

Contractual maturities	Less than one year	Between one and three years	More than three years	Total
<i>(Amounts in USD thousand)</i>				
31 December 2023				
Bonds	5 852	11 703	49 153	66 708
Trade and other payables	32 825	-	-	32 825
Other current liabilities	57 802	-	-	57 802
Total	96 479	11 703	49 153	157 335
31 December 2022				
Supply chain financing	14 379	-	-	14 379
Trade and other payables	31 322	-	-	31 322
Other current liabilities	37 967	-	-	37 967
Total	83 669	-	-	83 669
1 January 2022				
Supply chain financing	23 641	-	-	23 641
Trade and other payables	20 441	-	-	20 441
Other current liabilities	55 339	-	-	55 339
Total	99 421	-	-	99 421

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5.6.3 Market risk

Market risk for the Group is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises two types of risk: currency risk and interest rate risk.

5.6.3.1 Interest rate risk

Interest rate risk for the Group is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is mainly exposed to interest rate risk from its interest-bearing debt, including the bond and the supply chain financing, as these instruments are exposed to changes in NIBOR. Part of the Group's exposure to interest rates is compensated by holdings of cash and cash equivalents. The Group does not use any derivatives to hedge against the variability on interest rates.

The following table demonstrates the sensitivity of the Group to a reasonably possible change in interest rates. With all other variables held constant, the Group's profit after tax and equity is affected through the impact on floating rate borrowings, as follows:

Sensitivity of changes in interest rates on borrowings	Impact on equity and profit after tax		
	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Increase in interest rate of 1%	(383)	(165)	(184)
Decrease in interest rate of 0.5%	192	82	92

The table above does not illustrate the offsetting effects that the holdings of cash and cash equivalents by the Group.

5.6.3.2 Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risk in its financial assets and liabilities where the functional currency of the company in the Group is different to the currency in which the asset will be paid, or the liability discharged. The Group's policy in this respect is to have a natural hedge, by which the Group match, to the extent possible, inflows and outflows of the currency.

The Group sells its products in multiple countries with pricing in local currencies. While the majority of the sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Group's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be nominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Group's profitability as a stronger NOK will increase the Group's fixed cost base and vice versa.

The Group is also exposed to currency risks from its bond being denominated in NOK (see Section 5.3), while the functional currency of the companies in the Group being USD.

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The following table presents the Group's sensitivity to reasonably possible changes in exchange rates for the most material currencies in the Group. The following table includes financial instruments at 31 December that are denominated in other currency than USD:

Sensitivity of changes in foreign currency rates	Impact on equity and profit after tax		
	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
10% increase in amount of USD per:			
NOK	1 081	2 248	(2 158)
EUR	(940)	830	1 613
10% decrease in amount of USD per:			
NOK	(1 081)	(2 248)	2 158
EUR	940	(830)	(1 613)

5.7 Capital management

The Group defines capital as equity. The Group's main objective when managing capital is to ensure the ability of the Group to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants. See Section 5.3.1 for covenants to which the Group is subject to.

5.8 Share capital and ownership structure

reMarkable Holding AS has two classes of shares, Common Shares and Preference A Shares, all with equal voting rights. Preference A Shares were introduced in 2019 when Spark Capital, an American venture capital firm, invested USD 15 million. Spark Capital holds the majority of these shares. The Company has 7 269 130 shares with a nominal value of NOK 0.35, which gives a total share capital of NOK 2 544 196. There have been no changes in the number of shares, share capital or share premium of the Group during 2023.

Preference A Shares are regulated by Shareholders' Agreement. In the event of either an exit (either through a transaction where the majority shareholders do not retain majority of voting power; or by transferring all or substantially all of the Company's assets) or liquidation, dissolution or winding up, the Preference A Shares give rights the common shareholders do not have. In these matters the holders of Preference 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 reMarkable Holding AS. Further, shareholders with Preference A Shares have certain rights when it comes to anti-dilution and protective rights related to investor majority consent.

reMarkable Holding Group and reMarkable Holding AS

reMarkable Holding AS presents the following ownership structure at 31 December 2023:

Ownership of reMarkable Holding AS by company	Number of common shares	Number of preferred shares	Total shares	Ownership percentage	Voting right percentage
<i>(Number of shares)</i>					
SMHW AS	2 327 431	-	2 327 431	32.02	32.02
Investisol AS	1 083 700	-	1 083 700	14.91	14.91
Spark Capital V, L.P.		977 611	977 611	13.45	13.45
Setra Holding AS	750 000	-	750 000	10.32	10.32
Startuplab Founders fund I AS	389 800	-	389 800	5.36	5.36
Stratel AS	199 000	-	199 000	2.74	2.74
Herding Holding AS	174 800	-	174 800	2.40	2.40
Nous Holding AS	174 800	-	174 800	2.40	2.40
Startuplab AS	128 200	-	128 200	1.76	1.76
Dragev Invest AS	100 300	-	100 300	1.38	1.38
Heidem Holding AS	84 600	-	84 600	1.16	1.16
Total	5 412 631	977 611	6 390 242	87.91	87.91
Others (percent ownership < 1%)	867 275	11 613	878 888	12.09	12.09
Total number of shares	6 279 906	989 224	7 269 130	100	100

At the end of 2023, the Chairman of the Board, Magnus Haug Wanberg via SMHW AS owns 2 327 431 shares. This corresponds to an ownership interest of 32%. Other members of the Board, Marius Juul Møller via Investisol AS and Kevin Tau via Spark Capital V, L.P., own 1 083 700 shares (15%) and 977 611 shares (13.5%), respectively.

For information on salaries and other remuneration to the board and the CEO, see note 7.1.1.

SECTION 6 Working capital

Overview

This section includes disclosures in relation to items considered part of the working capital of the Group, typically with a short-term nature, and related to its operating activities.

reMarkable Holding Group and reMarkable Holding AS

6.1 Inventories

Inventories held by the Group mainly consist of finished goods controlled by the Group, such as tablets, markers and other accessories; and a certain security stock of key components necessary for its goods to be produced. The Group is not manufacturing its own products. These are produced by third parties often referred to as 'electronic manufacturing services' (EMS) suppliers.

Accounting policies

Inventories are measured at cost, which for the Group is typically the purchase cost of its goods, transportation costs until the point the goods are in the distribution centers of the Group; and non-refundable taxes such as customs duties.

Cost of inventory is assigned based on the weighted average cost formula.

The following table illustrates the different classes of inventory held by the Group, and cost of materials:

Inventories	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Raw materials	7 426	4 074	11 295
Work in progress	3 288	3 663	2 989
Finished goods	31 427	17 271	31 787
Total inventories	42 141	25 008	46 071

Cost of materials	2023	2022
<i>(Amounts in USD thousand)</i>		
Purchase of materials	193 150	110 703
Change in inventories	(17 133)	21 063
Total cost of materials	176 017	131 766

Accounting judgements – inventory recognition

The Group recognizes reMarkable-specific inventory held by its electronic manufacturing suppliers and presents it as raw materials. In arriving to this conclusion, the Group considers several factors such as low rotation, obsolescence risks, and the ability of EMS supplier to redirect the inventories to alternative uses.

reMarkable Holding Group and reMarkable Holding AS

6.2 Trade receivables

Accounting policies

Trade receivables in the Group are measured at its amortized cost and reduced by the expected credit losses following the simplified approach under IFRS 9. Therefore, the Group does not follow up changes in credit risk and recognize expected lifetime losses at each reporting date.

The Group considers for its provision matrix its historical experience, adjusted by forward-looking information of its customers, industry, and general economic environment.

Trade receivables	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Trade receivables	9 758	2 608	6 254
Allowance for expected credit losses	-	-	-
Total trade receivables	9 758	2 608	6 254

reMarkable Holding Group and reMarkable Holding AS

6.3 Cash and cash equivalents

The Group's cash and cash equivalents mainly consist of cash in bank and cash equivalents held in payment service providers (PSPs), typically arising from sales through its web shop. Amounts held in PSPs can typically be transferred to the Group's bank accounts within days, at the Group's sole discretion.

Accounting policies

Cash held in payment service providers are considered as cash equivalents by the Group when the Group can conclude that there are insignificant risk of changes in value (including credit risk), no significant fees, and can readily be transformed into known amounts of cash.

The Group's cash and cash equivalents can be disaggregated as follows:

Cash and cash equivalents	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Cash at bank	82 498	40 075	72 259
Restricted cash (payroll)	2 977	2 259	1 960
Unrestricted cash	79 521	37 816	70 299
Cash equivalents	13 218	14 997	3 828
Total cash and cash equivalents	95 716	55 071	76 087

The Group also holds financing bank overdrafts in the form of supply chain financing. See specific disclosures in Section 5.3.

reMarkable Holding Group and reMarkable Holding AS

6.4 Trade payables and other current liabilities

Accounting policies

The Group presents refund liabilities separately from contract liabilities included in Section 3.2.

Trade, other payables and other current liabilities	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Trade and other payables	32 825	31 322	20 441
Trade payables	32 825	31 299	20 406
Other payables	-	23	35
Other current liabilities	58 206	38 294	55 372
Contract liabilities (see Section 3.2)	10 851	10 196	3 294
Refund liabilities	3 956	2 588	2 617
Payroll tax and other statutory liabilities	5 251	3 059	2 293
VAT payable	5 159	1 673	1 932
Raw materials in consignment (Section 6.1)	7 423	4 072	11 295
Other current liabilities	25 566	16 706	33 941
Total trade, other payables, and other current liabilities	91 031	69 616	75 813

Accounting estimates – estimated returns (refund liabilities)

The Group estimates returns on a continuous basis, considering historical experience (as long as it is representative of future expectations) and current information about future trends. Specifically, overstock clauses, and return periods granted to final customers are considered in estimating expected returns.

For this estimate, the Group estimates refund liabilities based on the expected value method for groups of contracts with similar characteristics, which are mainly differentiated by sales channel. Specifically, the Group also considers any overstock clauses when estimating refund liabilities from this revenue stream.

The conclusion on the volume of returns is a relevant input for the estimation of the right of return of inventories.

reMarkable Holding Group and reMarkable Holding AS

6.5 Provisions

The Group's provisions mainly relate to warranties over products sold, and other matters connected to its selling and production activities.

Accounting policies

Provisions for warranties

Provisions for warranties are measured based on Management's best estimate at the end of each reporting period. The amount of warranty provisions is based on an expected value model, where the Group uses historical information and current information about known or detected defects. Warranty provisions are considered for the whole population of goods sold and subject to warranty provisions, adjusting for known or expected cases affecting specific groups of goods (by series, production time, or any other applicable grouping).

Provisions in the Group at 31 December 2023 amounted to USD 2 052 thousand (31 December 2022: USD 873 thousand), of which USD 902 thousand (31 December 2022: 873 thousand).

SECTION 7 Other disclosures

Overview

This section includes disclosures in relation topics other than those covered in the previous sections, including related parties and events after the reporting period.

reMarkable Holding Group and reMarkable Holding AS

7.1 Related parties

7.1.1 Remuneration to key management personnel

The Board received no remuneration during the periods presented in the financial statements.

Key management personnel in the Group is comprised of the board of directors, and the executive management personnel. Executive management personnel includes, among other, the chief executive officer, and other chief executives in finance, operations, strategy, and others having similar authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel (incl. CEO)	2023	2022
<i>(Amounts in USD thousand)</i>		
Short-term employee benefits	3 130	2 534
Total remuneration to key management personnel	3 130	2 534
Remuneration to CEO	2023	2022
<i>(Amounts in USD thousand)</i>		
Short-term employee benefits	600	306
Other benefits	-	212
Total remuneration to CEO	600	518

reMarkable Holding Group and reMarkable Holding AS

7.1.2 Transactions and balances with other related parties

There have been no transactions with any other related parties during the periods presented in these financial statements.

7.2 Commitments

The material capital commitments for the Group, at the end of the reporting periods presented, only relate to leasing, which is further disclosed in Section 5.4.5.

7.3 Events after the reporting period

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

SECTION 8 First-time adoption of IFRS

Overview

This section includes disclosures in relation to the Group's transition to IFRS, with opening IFRS statement of financial position at 1 January 2022, from its previous reporting under Norwegian GAAP.

reMarkable Holding Group and reMarkable Holding AS

8.1 Optional exemptions applied on the first-time adoption of IFRS

In applying IFRS 16, the Group has measured its right-of use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of transition to IFRS.

The Group has not applied any other exemptions available in IFRS 1.

reMarkable Holding Group and reMarkable Holding AS

8.2 Reconciliation of the Group's statement of financial position in accordance with Norwegian GAAP to its statement of financial position in accordance with IFRS, at the date of transition (1 January 2022)

<i>Amounts in currency thousand</i>	Notes	Norwegian GAAP (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 1 January 2022 (USD)
ASSETS					
Non-current assets					
Intangible assets		117 470	13 735	-	13 735
Property, plant and equipment	<i>A</i>	18 850	2 195	3 150	5 345
Net deferred tax assets	<i>C, E</i>	7 498	850	103	953
Other non-current financial assets		4 079	462	-	462
Total non-current assets		147 896	17 242	3 253	20 495
Current assets					
Inventories	<i>G</i>	311 867	34 776	11 295	46 071
Trade receivables		55 156	6 253	1	6 254
Other current assets	<i>A, E, F</i>	73 444	8 327	(3 274)	5 053
Cash and cash equivalents	<i>F</i>	637 279	72 259	3 828	76 087
Total current assets		1 077 745	121 614	11 850	133 464
TOTAL ASSETS		1 225 641	138 856	15 103	153 959

reMarkable Holding Group and reMarkable Holding AS

<i>Amounts in currency thousand</i>	Notes	Norwegian GAAP (NOK)	Norwegian GAAP (USD functional and presentation currency)	Adjustments and reclassifications (USD)	IFRS 1 January 2022 (USD)
EQUITY AND LIABILITIES					
EQUITY					
Share capital		2 574	302	-	302
Share premium		163 942	19 214	-	19 214
Treasury shares		(30)	(3)	-	(3)
Retained earnings	<i>C, D, E</i>	158 473	17 116	(389)	16 727
Other equity		66 176	7 654	-	7 654
Equity attributable to equity holders of the parent		391 134	44 283	(389)	43 894
Non-controlling interests	<i>C, D, E</i>	3 485	352	(4)	348
Total equity		394 619	44 635	(393)	44 242
LIABILITIES					
Borrowings		-	-	-	-
Lease liabilities	<i>A</i>	-	-	1 450	1 450
Non-current provisions	<i>A</i>	-	-	170	170
Other non-current liabilities		-	-	-	-
Total non-current liabilities		-	-	1 620	1 620
Trade and other payables		180 243	20 441	-	20 441
Lease liabilities (current portion)	<i>A</i>	-	-	1 203	1 203
Borrowings		208 500	25 528	-	25 528
Current tax liabilities		42 651	4 836	-	4 836
Current provisions	<i>A, K</i>	-	-	717	717
Other current liabilities	<i>C, G, K</i>	399 627	43 416	11 957	55 372
Total current liabilities		831 022	94 221	13 877	108 097
Total liabilities		831 022	94 221	15 497	109 717
TOTAL EQUITY AND LIABILITIES		1 225 641	138 856	15 104	153 959

reMarkable Holding Group and reMarkable Holding AS

8.3 Reconciliation of the Group's statement of financial position in accordance with Norwegian GAAP to its statement of financial position in accordance with IFRS, at 31 December 2022

		Norwegian GAAP (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 31 December 2022 (USD)
<i>Amounts in currency thousand</i>	Notes				
ASSETS				-	
Non-current assets					
Intangible assets	H	257 157	27 955	(2 795)	25 160
Property, plant and equipment	A	32 786	3 580	2 030	5 610
Net deferred tax assets	C, E	9 658	967	1 803	2 770
Other non-current financial assets		53 967	5 477	(2)	5 475
Total non-current assets		353 567	37 979	1 036	39 015
Current assets					
Inventories	G	206 583	20 936	4 072	25 008
Trade receivables		25 704	2 608	-	2 608
Other current assets	A, E, F	185 568	18 826	(14 256)	4 570
Cash and cash equivalents	F	395 029	40 074	14 997	55 071
Total current assets		812 884	82 444	4 813	87 257
TOTAL ASSETS		1 166 451	120 423	5 849	126 272

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			Norwegian GAAP (functional and presentation currency)	Adjustments and reclassifications	IFRS 31 December 2022 (USD)
<i>Amounts in currency thousand</i>	Notes	Norwegian GAAP			
EQUITY AND LIABILITIES					
EQUITY					
Share capital		2 544	299	-	299
Share premium		163 942	19 214	-	19 214
Treasury shares		(1)	-	-	-
Retained earnings	A, C, E	180 428	16 942	(6 425)	10 517
Other equity		77 133	8 673	(12)	8 661
Equity attributable to equity holders of the parent		424 046	45 126	(6 436)	38 691
Non-controlling interests	A, C, E	3 913	361	(76)	285
Total equity		427 959	45 488	(6 512)	38 976
LIABILITIES					
Borrowings		-	-	-	-
Lease liabilities	A	-	-	274	274
Non-current provisions	A	-	-	154	154
Other non-current liabilities		-	-	-	-
Total non-current liabilities		-	-	428	428
Trade and other payables		308 754	31 299	23	31 322
Lease liabilities (current portion)	A	-	-	1 221	1 221
Borrowings		141 736	14 379	-	14 379
Current tax liabilities		7 680	779	-	779
Current provisions	K	-	-	873	873
Other current liabilities	C, G, K	280 321	28 476	9 817	38 294
Total current liabilities		738 491	74 935	11 933	86 868
Total liabilities		738 491	74 935	12 361	87 296
TOTAL EQUITY AND LIABILITIES		1 166 451	120 423	5 849	126 272

reMarkable Holding Group and reMarkable Holding AS

8.4 Reconciliation of the Group's statement of comprehensive income in accordance with IFRS for the latest period in the entity's most recent financial statements (year 2022)

<i>Amounts in USD thousand</i>	<i>Notes</i>	NGAAP 2022 (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 2022 (USD)
Revenue from contracts with customers	<i>B, C, L</i>	2 565 750	266 111	(381)	265 730
Other income	<i>L</i>	146 270	15 171	(15 171)	-
Total operating income		2 712 020	281 282	(15 552)	265 730
Cost of goods sold	<i>B, E, J</i>	(1 530 172)	(158 461)	26 695	(131 766)
Employee benefit expenses		(312 602)	(32 383)	-	(32 383)
Other operating expenses	<i>A, H, J</i>	(757 065)	(80 065)	(17 928)	(97 993)
Depreciation and amortization	<i>A</i>	(50 480)	(5 601)	(1 342)	(6 943)
Operating profit/(loss)		61 701	4 772	(8 127)	(3 355)
Financial income	<i>I</i>	75 123	7 793	(7 587)	206
Financial expenses	<i>A, I</i>	(109 084)	(11 104)	9 363	(1 742)
Other financial gains/(losses)	<i>A, D, I</i>	-	(613)	(1 910)	(2 523)
Net financial result		(33 961)	(3 925)	(134)	(4 058)
Profit/(loss) before income tax		27 740	847	(8 260)	(7 413)
Income tax (expense)/income	<i>C, E, H</i>	(5 520)	(612)	1 741	1 129
PROFIT/(LOSS) FOR THE YEAR		22 219	235	(6 520)	(6 284)
Net other comprehensive income/(loss)		n.a.	n.a.	-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		n.a.	n.a.	(6 520)	(6 284)
Attributable to:					
Equity holders of the parent		21 955	233	(6 442)	(6 210)
Non-controlling interests		264	3	(77)	(75)
		22 219	235	(6 520)	(6 284)

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8.5 Reconciliation of the Group's statement of cash-flows in accordance with IFRS for the latest period in the entity's most recent financial statements (year 2022)

<i>Amounts in USD thousand</i>	Notes	NGAAP 2022 (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 2022 (USD)
CASH FLOW FROM OPERATING ACTIVITIES:					
Profit/(loss) before income tax		27 740	581	(7 994)	(7 413)
Adjustments for:					
Depreciation and amortization	A	50 480	5 601	1 342	6 943
Net financial income and expenses	A	-	-	694	694
Net foreign exchange differences		-	(303)	-	(303)
Working capital changes:					
Decrease (increase) in inventories	G	105 284	13 840	7 223	21 063
Decrease/(increase) in trade receivables, contract assets and prepayments		29 452	3 645	484	4 129
Change in trade payables, contract liabilities and other payables relating to operating activities	G	128 511	13 352	(19 655)	(6 303)
Change in provisions relating to operating activities		-	-	156	156
Changes in other receivables and payables	F	(276 564)	(34 526)	34 526	-
Income tax paid		(42 651)	(4 432)	-	(4 432)
Interests received		-	-	206	206
Net cash flow from operating activities		22 251	(2 241)	16 981	14 740
CASH FLOW FROM INVESTMENT ACTIVITIES:					
Expenditures on intangible assets		(208 853)	(21 700)	5 596	(16 104)
Payment of deposits		-	-	(5 013)	(5 013)
Expenditures on property, plant and equipment		-	-	(2 529)	(2 529)
Net cash flow from investing activities		(208 853)	(21 700)	(1 946)	(23 646)
CASH FLOW FROM FINANCING ACTIVITIES:					
Payments of loans and borrowings		-	-	(25 528)	(25 528)
Interests paid		-	-	(902)	(902)
Net cash received (paid) from borrowings		(66 764)	(9 262)	9 262	-
Cash receipt from borrowings		-	-	14 379	14 379
Payment of principal portion of lease liabilities	A	-	-	(1 079)	(1 079)
Transactions with non-controlling interests		11 116	1 019	-	1 019
Net cash flow from financing activities		(55 648)	(8 243)	(3 867)	(12 110)
Net increase/(decrease) in cash and cash equivalents	F	(242 249)	(32 185)	11 175	(21 016)
Cash and cash equivalents at the beginning of the period	F	637 279	72 259	3 828	76 087
Cash and cash equivalents at the end of the period	F	395 029	40 074	15 003	55 071

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8.6 Explanation of adjustments and reclassifications

A. Leases

Under NGAAP, the Group accounted for its leases as operating leases, therefore recognizing expenses on a straight-line basis over the lifetime of the contract, and not recognizing any right-of-use assets or lease liabilities. Under IFRS, the Group has identified leases where right-of-use assets and lease liabilities should be recognized.

This adjustment resulted in recognition of USD 3 150 thousand of right-of-use assets as well as recognition of USD 2 653 thousand of lease liabilities, USD 170 thousand of provisions and a USD 327 thousand reduction of other current assets on the date of transition to IFRS. The difference between lease liabilities and right-of-use assets relate to prepayments reclassified as right-of-use assets. During 2022, depreciation and financial expenses increased by USD 1 342 and 92 thousand respectively whereas other operating expenses decreased by USD 1 191 thousand. Due to the leases being denominated in NOK, there was USD 303 thousand other financial gains recognized related to foreign currency gains. At the end of the same period, right-of-use assets and lease liabilities increased to USD 2 030 thousand and USD 1 495 thousand, respectively together with an increase of USD 154 thousand of provisions and USD 47 thousand increase in retained earnings.

In the consolidated statement of cash flows under IFRS, payments for leases recognised as lease liabilities are classified as cash flows from financing activities. Under NGAAP, all lease payments were classified as cash flow from operating activities.

B. Customs duties and VAT on imports

Under NGAAP, the Group recognized amounts collected on behalf of tax authorities as a principal. These taxes apply to certain jurisdictions where the Group's customer is considered the importer of record. This led to gross recognition of customs duties and VAT on imports, both as revenue and costs of goods sold. Under IFRS, the Group has considered indicators defining whether the Group is acting as a principal or an agent under IFRS 15 and concluded that it meets the definition of an agent. Therefore, amounts presented as revenue from contracts with customers and corresponding cost of materials have been presented net, resulting in netting of USD 10 295 thousand for the 2022 financial year.

C. Identification of performance obligations and allocation of the transaction price

The Group has remeasured the allocation of the transaction price for free services offered together with the sale of its tablets, in accordance with Step 4 of IFRS 15 (allocating transaction price to performance obligations). Valuation was made in accordance with stand-alone subscription price of the free services, mainly based on the market price of these services when sold separately and recognized as revenue in line with the provision of the free services. On 1 January 2022, this resulted in the recognition of other current liabilities for USD 1 373 thousand, with a corresponding decrease of retained earnings for USD 1 071 thousand as well as USD 302 thousand increase in net deferred tax assets.

During 2022, this adjustment resulted in decrease in revenue of USD 5 257 thousand, with corresponding net increase of other current liabilities for the same amount. Additionally, this adjustment resulted in the decrease of income tax expense of USD 1 156 thousand with a corresponding increase of net deferred tax assets for the same amount as well as a decrease of USD 4 100 thousand in retained earnings for the same period.

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D. Functional and presentation currency of the companies within the Group

For all periods up to and including 31 December 2022, the Group prepared its financial statements with NOK as its presentation currency, which was also considered the accounting currency of the companies within the Group under NGAAP. The Group used the possibility in NGAAP to use NOK as its accounting currency for measurement and presentation of the financial statements.

However, the Group has decided to present its first IFRS consolidated financial statements in USD, which has also been concluded to be the functional currency of the companies within the Group for all periods covered in these financial statements. See Section 2.1.1 for further details on how this assessment has been made. The change of presentation currency and use of the functional currency as the accounting currency resulted in a net increase in foreign currency losses of USD 654 thousand for 2022, and adjustment to opening equity of USD 1 294 thousand.

The translation has been carried out in the consolidated statement of financial position by applying to monetary items the closing rate, and to non-monetary amounts the exchange rate at the time items were recognized in the financial statements. For the consolidated statement of financial performance and consolidated statement of changes in cash flows, average monthly rates have been applied to the underlying transactions originally booked as NOK.

E. Estimation of return asset

Under NGAAP, the Group did not recognize return assets for the expected returns of tablets. Under IFRS, the Group has determined a return asset should be recognized (see Section 3.2). This resulted in the recognition of other current assets for USD 882 thousand, with a net increase in retained earnings of USD 690 thousand and a decrease of net deferred tax assets of USD 192 thousand at 1 January 2022.

During 2022, cost of goods sold has been reduced by USD 179 thousand with a corresponding increase in other current assets. This has also resulted in an increase of income tax expense by USD 70 thousand with a corresponding reduction of net deferred tax assets and an increase in retained earnings of USD 110 thousand for the same period.

F. Classification as cash equivalents

Under NGAAP, the Group has been presenting amounts held in payment processors (PSPs) as other current assets. Under IFRS, the Group has established an accounting policy of recognizing these amounts as cash equivalents, to the extent that requirements mentioned in Section 6.3 are met. This has resulted in a reclassification in the statement of financial position of USD 3 829 thousand and USD 14 995 thousand at the date of 1 January 2022, and 31 December 2022, respectively.

This reclassification also explains the net increase in cash and cash equivalents in the consolidated statement of cash flows as a consequence of the transition to IFRS, and adjusted from changes in other receivables and payables.

G. Recognition of inventories based on control assessment

As explained in Section 6.1, the Group has recognized reMarkable-specific inventory held by its electronic manufacturing suppliers. Under NGAAP, the Group's accounting policies was to not account for these inventories until they were physically received from its electronic manufacturing suppliers.

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This resulted in USD 11 295 thousand being recognized as an increase in inventories with a corresponding increase in other current liabilities at 1 January 2022. Subsequently, inventories and other current liabilities were reduced by USD 7 223 thousand at 31 December 2022. These increases in inventories also affected the change in inventories, and changes in trade payables in the consolidated statement of cash flows.

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H. Capitalization of intangible assets in software as a service systems

As described in Section 4.2, the Group uses significant judgement when capitalizing costs under IFRS in relation to implementing software as a service systems. Based on the analysis of the costs incurred and other relevant factors under the IFRS guidance, the Group has expensed previously capitalized intangible assets for an amount of USD 2 795 thousand which resulted in corresponding increase in other operating expenses as well as decrease in income tax expense equal to USD 600 thousand with an increase in net deferred tax assets for the same amount as well as a decrease of USD 2 195 in retained earnings at 31 December 2022.

I. Classification of foreign exchange gains and losses

For all periods up to and including 31 December 2022, the Group classified foreign currency gains and losses as financial income and expenses, respectively. Under IFRS, it has been established an accounting policy of recognizing these amounts net as other financial gains/losses. This resulted in a reclassification of USD 7 587 thousand foreign currency gains and USD 9 449 thousand foreign currency losses (USD 1 862 thousand net loss) for the year ended on 31 December 2022.

J. Classification of selling and distribution costs

For all periods up to and including 31 December 2022, the Group recognized selling and distribution costs as cost of materials. Under IFRS, it has been concluded that other operating expenses is a more appropriate category for classification of these costs. This resulted in a reclassification of USD 30 021 thousand for the year ended on 31 December 2022.

K. Classification of provisions

For all periods up to and including 31 December 2022, the Group presented provisions as other current liabilities. Under IFRS, it has been concluded that provisions should be presented separately (see Section 6.5). This resulted in a reclassification of USD 717 thousand and USD 873 thousand on 1 January 2022 and 31 December 2022, respectively.

L. Classification of subscription revenue

The Group has been presenting subscription revenue as other income for all periods up to and including 31 December 2022. Under IFRS, it has been established that this revenue should be presented with revenue from contracts with customers (see Section 3.2). This resulted in a reclassification of USD 15 171 thousand from other income to revenue from contracts with customers.

reMarkable Holding Group and reMarkable Holding AS

INCOME STATEMENT – REMARKABLE HOLDING AS

<i>Amounts in NOK thousand</i>	Notes	2023	2022
Other operating expenses	2, 3	(546)	(1 195)
Total operating expenses		(546)	(1 195)
Operating profit/(loss)		(546)	(1 195)
Income from investment in subsidiary	4, 5	0	1 180
Other financial income	4	0	1 102
Net financial result		0	2 282
Profit/(loss) before income tax		(546)	1 086
Income tax expense	6	120	0
PROFIT/(LOSS) FOR THE YEAR		(426)	1 086
Transfers			
Other equity		0	1 086
Loss brought forward		426	0
Total transfers and allocations		(426)	1 086

reMarkable Holding Group and reMarkable Holding AS

BALANCE SHEET – REMARKABLE HOLDING AS

<i>Amounts in NOK thousand</i>	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Investment in subsidiaries	8	151 229	149 825
Deferred tax assets	6	120	0
Total non-current assets		151 350	149 825
Current assets			
Receivables from group companies	5	1 757	1 846
Cash and cash equivalents	9	22 968	24 677
Total current assets		4 352	283
TOTAL ASSETS		176 093	176 348

reMarkable Holding Group and reMarkable Holding AS

<i>Amounts in NOK thousand</i>	31 December 2023	31 December 2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital <i>7, 10</i>	2 544	2 544
Share premium reserve <i>7</i>	163 942	163 942
Other equity <i>7</i>	9 373	9 799
Total equity <i>7</i>	175 859	176 285
LIABILITIES		
Trade payables	21	63
Public duties payable	213	0
Total current liabilities	234	63
Total liabilities	234	63
TOTAL EQUITY AND LIABILITIES	176 093	176 348

reMarkable Holding Group and reMarkable Holding AS

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Board member

Oslo (Norway)

19 June 2024

reMarkable Holding Group and reMarkable Holding AS

INDIRECT CASH FLOW – REMARKABLE HOLDING AS

<i>Amounts in NOK thousand</i>	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		(546)	(1 086)
Change in accounts payable		155	(193)
Change in other accrual items		(1 075)	(594)
Net cash flow from operating activities		(1 466)	299
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Payments to buy shares and participation in other companies		(1 404)	(342)
Net cash flow from investing activities		(1 404)	(342)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Group contributions		1 180	0
Payment of Group contributions		0	(12 869)
Net cash flow from financing activities		1 180	(12 869)
Net increase/(decrease) in cash and cash equivalents		(1 691)	12 826
Cash and cash equivalents at the beginning of the period		24 677	11 851
Cash and cash equivalents at the end of the period		22 986	24 677

reMarkable Holding Group and reMarkable Holding AS

NOTES TO FINANCIAL STATEMENTS – REMARKABLE HOLDING AS

1. Accounting principles

The company was established 19.10.2018. reMarkable Holding AS is the ultimate parent company in reMarkable group. The company owns the majority of reMarkable Invest AS with reMarkable Employee Share Holding I AS as minority owner of reMarkable Invest AS.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The financial statements are presented in NOK thousands. As a result of this, rounding differences may occur.

Functional currency, reporting currency and presentation currency

For reMarkable Holding AS (Holding company in the Group) it is concluded that this company has no activities of its own (other than being the holding company) and therefore it is regarded as an extension of one of its subsidiaries, reMarkable AS, where the dominating and functional currency is USD. Under the Norwegian Accounting Act §3-4, the company has the availability to choose NOK as accounting currency and has therefore decided to apply NOK as both accounting currency and presentation currency.

Income tax

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

Balance sheet classifications

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

Other short-term receivables

Other short- term receivables are recorded on the balance sheet at nominal value.

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 associated companies

The investments are valued at cost of the shares in the subsidiary, less any impairment losses.

reMarkable Holding Group and reMarkable Holding AS

2. Personnel costs and pension

The company does not have any employees or personnel cost. No payments were made to the Group 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.

3. Other operating expenses

Overview of Other operating expenses	2023	2022
Office equipment rental	51	7
Audit fees	405	525
Accounting fees	64	20
Legal fees	4	409
Insurance	0	230
Other fees	22	5
Total Other operating expenses	546	1 195

4. Financial income and expenses

Financial income	2023	2022
Income from investment in subsidiary (group contribution)	0	1 180
Interest income	0	0
Currency gain	0	1 102
Total Financial income	0	2 282

Financial expenses	2023	2022
Financial expenses	0	0
Total Financial expenses	0	2 282

5. Related party transactions

Other short-term receivables on subsidiaries	2023	2022
Short-term receivables	1 757	1 846
Total	1 757	1 846

6. Income Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	(120)	0
Tax expense on ordinary profit/loss	(120)	0
Taxable income:		
Result before tax	(546)	1 086
Non-taxable Group contribution	0	(1 086)
Taxable income	(546)	0

reMarkable Holding Group and reMarkable Holding AS

Payable tax in the balance:

Payable tax on this year's result	0	(260)
Payable tax on received Group contribution	0	260
Total payable tax in the balance	0	0

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax asset, specified on type of temporary differences

Deferred tax assets	2023	2022	Difference
Accumulated loss to be brought forward	(546)	0	546
Basis for deferred tax	(546)	0	546
Deferred tax asset (22%)	(120)	0	120

Deferred tax asset on the balance sheet is allocated based on differences between accounting and taxrelated values according to the Norwegian accounting standard for tax. Temporary tax- increasing and taxreducing differences that can be offset are recognised net. Temporary differences are related to accumulated loss brought forward.

7. Equity

<i>Amounts in NOK thousand</i>	Issued capital	Share premium	Other equity capital	Total equity
Balance at 1 January 2022	2 544	163 942	9 799	176 285
Profit/(loss) for the year	-	-	(426)	(426)
Balance at 31 December 2022	2 544	163 942	9 373	175 859

8. Investment in subsidiaries

Company	Location	Owner interest	Book value 31.12.2023
reMarkable Invest AS	Oslo, Norway	98.00%	149 198
reMarkable Employee Share Holding I AS	Oslo, Norway	41.65%	2 032

Investments in reMarkable Invest AS is accounted for by using the cost method.

reMarkable Invest AS was established at the end of 2021 for the purpose of holding 100% of the shares in reMarkable AS and issue shares to reMarkable Employee Share Holding I AS as part of the employee share purchase program. reMarkable Holding AS is the ultimate parent company and owns the majority of reMarkable Invest AS with reMarkable Employee Share Holding I AS as minority owner of reMarkable Invest AS. The Company owned 67% of the voting rights in reMarkable Employee Shareholding I AS at period end. These voting rights are as a consequence of the A-Shares held by the Company. These voting rights confer the Company control over reMarkable Employee Shareholding I AS.

reMarkable Holding Group and reMarkable Holding AS

9. Bank deposits

The company has NOK 23m as bank deposits and there are no restrictions to these funds.

reMarkable

reMarkable AS

Annual Report 2023

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DIRECTOR'S REPORT | REMARKABLE AS

Operations and locations

reMarkable Holding AS ("the Company") is the parent company in the reMarkable Group (referred to as "reMarkable" or "reMarkable Group"), whose main subsidiaries are reMarkable AS, reMarkable Invest AS and reMarkable Employee Share Holding I AS. reMarkable AS is the operating entity of the reMarkable Group and is a Norwegian company that develops, markets, and sells consumer electronics products termed 'paper tablets' and associated accessories.

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

The Group distributes its products in over 50 countries, with North America and Europe being the largest markets. The majority of sales originate through reMarkable's own web shop, whereas sales via third parties make up an increasing proportion of revenues as part of the Group's distribution channel strategy. Production is conducted primarily in China, with distribution from warehouses in Hong Kong, the Netherlands, Lithuania and Mexico.

Letter to stakeholders

2023 has been an outstanding year for reMarkable. We embarked on a highly successful retail sales roll-out and unveiled our new product offering, the Type Folio. In addition, we have expanded our software ecosystem – making progress on a seamless workflow and better thinking across all your devices. During the year, we have also continued to scale the organization, investing heavily into new product development while making substantial improvements to our operating model.

reMarkable 2 continues to lead the paper tablet category, and during Q4 we crossed the threshold of more than 2 million paper tablets sold since the launch of reMarkable 1. This is a testament to the strength of our brand and value proposition of the product. Word-of-mouth recommendations remain one of our most important sales-drivers, and this gives us continued confidence that we are barely scratching the surface of a very large addressable market. Our Connect subscription offering provides a unique platform on which to continuously add more value to the reMarkable user experience. With a rapidly growing base of nearly 700,000 subscribers as of year-end, this will be a core area of investment in the years ahead.

These notable accomplishments have provided the foundation for our strong financial performance in 2023. Considering the macroeconomic headwinds in consumer electronics, we are especially proud of the results – relying on excellence in execution. As part of this work, and to prepare us for future growth, we have implemented a management system that is focused more strongly on goals and outcomes. To ensure our IT system technology needs can scale with our growth, we have implemented a cloud-based ERP system (SAP). Over time, we believe that these initiatives will allow us to keep growing at significant rates while demonstrating economies of scale due to significant operational efficiencies.

Ultimately, the value we add to our customers will determine our rate of growth. Both to attract new customers and to serve our existing customers better, we introduced the Type Folio, a slim keyboard that elegantly attaches to reMarkable 2. The launch was accompanied by mobile and desktop applications that enable users to capture critical notes when our tablet is not the most convenient option. For on-the-go and at-the-desk notes, users can capture ideas, no matter where they are or what device they are working on – fully integrated with our tablet.

In mid-October, reMarkable completed a NOK 500m Norwegian bond issue, which marked our first entry into public capital markets. This additional financing strengthens our ability to develop and commercialize new products. As we grow, especially with third-party retail sales, the bond proceeds will help with increased working capital needs. The bond will be listed on the Oslo Stock Exchange during the second half of 2024 and as a consequence of this we have changed our accounting standard from Norwegian Generally Accepted Accounting Principles (NGAAP) to the International Financial Reporting Standard (IFRS) while also changing our functional and reporting currency to US Dollars.

While we are proud of what we accomplished last year, we are depending on our employees to deliver even more in the coming years. I continue to be impressed with the dedication of the team, and I am optimistic that we can create significantly more business value as we align the team to our business strategy and focus on employee engagement.

Our employees are the source of our value creation. However, it will be our customers who ultimately judge the value of our work. I see opportunities for us to place the customer at the center of everything that we do. This means relentlessly focusing on the end-to-end customer experience so they both love us and tell their friends about us. With employees enabled to create and deliver more value, and with a more customer-centric culture, we can continue on the successful path that those who came before me have started.

Best,

Phil Hess

Chief Executive Officer

Financial performance

Revenue

Total revenues for 2023 amounted to USD 338m, which corresponds to a 27% year-over-year improvement. The robust topline growth was primarily driven by a highly successful retail roll-out in North America during the second half, as well as continued strong performance in key markets.

- The expansion of our product offering through the launch of Type Folio and the related device-agnostic reMarkable ecosystem was well received by customers, with a high degree of upselling to existing users
- Our subscription offering, Connect, has seen healthy annual recurring revenue (ARR) growth on the back of positive free-to-paying conversion development in the second half of the year. This follows the value proposition change in 2022, where the free trial period was extended

in July 2021 (from 100 days to 1 year) in combination with a lower price point from mid-September (monthly price reduced from \$7.99 to \$2.99)

- In Q4, we began to see the full commercial effects of having a multichannel presence, leading us to record the best peak season in reMarkable's history

Cost of materials

Net Margin after Cost of Materials for 2023 amounted to USD 162m, representing a 21% increase from the USD 134m achieved in 2022. After cost of materials, the margins reflected a healthy 48% and 50% respectively. The 2 pp. decline is partly explained by return provisioning on the back of a changed sales mix along with costs incurred as remarkable continues to expand into a new sales channel.

EBITDA

EBITDA came in at a record high of USD 38m, compared to USD 4m for 2022 (890% year-over-year growth). The robust performance comes as a result of increased revenues in combination with a relative reduction in sales and advertising expenditure (as a % of revenue). This positive development offsets the ramp-up in the operating cost base to support reMarkable's continued development of new products and markets.

Research and development

Development costs are related to improvements made on existing products and development of new products, accessories and software amounted to a total of USD 16.5m during 2023 (2022: USD 13.5m).

Additions to software during 2023 and 2022 are mainly related to the enterprise resource planning (ERP), supply chain and customer management systems' implementation. The Group performed significant integrations between the systems to enable proper data flows between the aforementioned systems, and other systems held the Group. Total expenditure for these projects, excluding ongoing costs to access to the cloud systems, amounted to USD 7.2m in 2023, and an additional USD 4.2m in 2022. Out of these amounts, the Group capitalized as part of its intangible assets USD 5.4 million in 2023, and USD 1.4 million in 2022.

Cash flow from investing activities

Cash flow from investing activities of USD (25)m in 2023 versus USD (24)m in 2022, reflects reMarkable's continued commitment to innovate and create compelling user experiences, and comprise primarily of development expenditure in line with product roadmaps.

Cash flow from financing activities

Net cash flow from financing activities of USD 31m in 2023 primarily reflects the borrowings in the form of an intercompany loan from the parent company. The funds for the intercompany loan have been raised by reMarkable Invest AS through bond issue in October 2023, of which reMarkable AS is a guarantor.

Liquidity

As at year-end 2023, the reMarkable Group held USD 93m in cash and equivalents, compared to USD 53m for 2022. The strong liquidity improvement has been achieved through the positive financial results, positive net working capital changes along with the proceeds from the bond issue.

reMarkable's net cash position was USD 45m at year-end 2023. Last year the comparable position was USD 37m.

Equity

Equity at year-end amounted to USD 58m, reflecting an equity ratio of 28%. In 2022 equity came in at USD 37m with a corresponding equity ratio of 30%. The 2 pp. year-over-year decline is largely explained by the borrowings in the form of an intercompany loan from the parent company (amount NOK 490 million, equivalent to USD 48.7 million at year-end 2023).

Financial risks

Input factors

As a provider of consumer electronics, reMarkable is exposed to the possibility of global shortages of production components. Global shortages may be due to a variety of reasons, such as the recent Covid-19 pandemic or other geopolitical events that have an adverse effect on operations.

Political, social or economic instability in Asia where the Group's suppliers' manufacturers are located, or the imposition of additional trade law provisions, regulations, duties, tariffs and other charges affecting imports and exports, could cause disruptions in trade or increase costs, including with regard to exports to EU, UK or US.

To counter sourcing complexities, reMarkable has a dedicated team that collaborates directly with suppliers throughout our value chain and regularly takes strategic measures to ensure access to critical input factors and priority with suppliers. The latter may on a regular basis require us to maintain a significant inventory of finished goods and critical longlead components, which increases the Group's working capital needs.

Liquidity risk

reMarkable manages its liquidity risk by regularly monitoring its liquidity needs for working capital, and strategic investments, both for short-term and long-term needs, and periodically updates estimations through rolling forecasts.

During the year we completed a NOK 500m bond issue, which will strengthen the Groups ability to develop and commercialize new products as well as help with increased working capital needs following the growth in third-party retail. Moreover, reMarkable has access to additional sources of liquidity, from its supply chain financing facility, another multifunctional currency line, and potential tap issues through its bond.

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

Market risk

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

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

Credit risk

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

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Group assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the retail segment, the 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.

Forex exchange risk

The Group sells its products in multiple countries with pricing in local currencies. While the majority of sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Group's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be nominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Group's profitability as a stronger NOK will increase the Group's fixed cost base and vice versa. reMarkable has short term contracts with retailers and distributors where underlying sales also provide for foreign exchange terms.

Other

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

Work environment, equal opportunity and discrimination

The work environment at reMarkable is considered to be good. The Group has a Workplace Environment Committee (Nw. AMU), an employee representative, and a safety representative, as well as established routines for safeguarding and protecting the rights and needs of its employees. Practices to make sure the workplace is accessible and inclusive are regularly implemented, communicated, and reviewed. Measures and routines to ensure sound working conditions have been initiated, as well as measures to preserve employee mental health, motivation, and general well-being. Total sick leave in 2023 was 2.8% 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 2023, the Group consisted of 37% women and 63% men. For more information on this topic, we refer to our report on equality that is published on our career page, remarkable.com/careers. The report details our current gender equality status on a set of parameters, an assessment of potential risks for discrimination or obstacles to equality, as well as a look at what we have done so far and plan to do in the future to improve diversity and equality.

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

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

Environmental and community responsibility

Maximizing positives, minimizing negatives

To reMarkable, better thinking involves acknowledging that everything we do impacts the world around us. We strive to maximize our positive impacts, while minimizing the negative ones. Our impact reporting for 2023 will provide a status on our work on implementing sustainability and some thoughts on where we plan to continue our journey.

The consumer electronics space has seen some major market trends in 2023. Some of the most notable are geopolitics, the European Union's (EU) role, transparency and growing customer preferences towards sustainable brands. Geopolitics are intensifying sustainability aspects role as a key strategic and financial focus for all organizations. Examples of this include energy security and access to scarce minerals. The EU requires companies to adopt practices on sustainability reporting, product durability and quality, leading to significant systemic improvements.

Our customers, particularly younger generations, are showing an increasing preference for sustainable brands with clearer morals and values, but without compromising on convenience and functionality. At the same time, supply chain transparency is accelerated through a wide range of national

regulations in different markets, such as the Norwegian Transparency Act and the US Uyghur Forced Labor Prevention Act.

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

Sustainability governance

A new framework for sustainability management

The EU has launched its Corporate Sustainability Reporting Directive (CSRD), mandating companies to report on their most important - or material - sustainability matters, document their sustainable transformation, clear governance and time-bound targets related to their material sustainability areas. This greatly increases the expectations for how companies should work and integrate sustainability areas like climate, human rights and circular economy into their business and value chain.

reMarkable is working to be CSRD ready. This is a demanding journey, requiring large efforts of our entire organization. To start off on the right track, reMarkable mapped the most material sustainability areas during the fall of 2023 through a double materiality assessment. This is, in all essence, a prioritization of sustainability areas going ahead. We are working in collaboration with our business partners and suppliers to find the right long-term solutions for our business and value chain.

Governance structure

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

The execution and monitoring of the activities related to sustainability is being conducted by the relevant functions and departments within the organization. reMarkable strives to integrate sustainability and responsibility into our business practices.

In 2023 reMarkable has mapped the Group's policies and procedures related to management of our most important sustainability topics. We updated our Supplier Code of Conduct, and our Anti-Corruption Policy, and shared our findings of relevant impacts, risks and opportunities with the management team.

Through 2024, we will further develop our sustainability governance and provide training for our employees to create understanding of how these policies can be implemented into their everyday work. Becoming aligned with the CSRD framework will support reMarkable's work on compliance and help us meet expectations of our stakeholders. This will continue to be a priority through 2024.

Our main impact

The double materiality assessment

The double materiality assessment was conducted in four phases; understand, identify, evaluate and decide.

Understand: we gathered information to understand reMarkable's sustainability context, assessing reports from industry experts on sustainability, reMarkable's value chain, peers and other relevant sources. This resulted in a list of potential sustainability areas for further analysis.

Identify: Next, we described how reMarkable's activities could impact these sustainability areas, or how these sustainability areas could present risks or opportunities to reMarkable.

Evaluate: In total, we established causal links for 95 different impacts, risks and opportunities. This step makes it possible to compare different sustainability topics against each other, as for example comparing the impact of pollution from manufacture on one side, to breaches of consumer privacy on the other.

Decide: After giving each impact, risk or opportunity a magnitude, we decided on a threshold for these to be considered material, or not material. This process output was an impact scoring, and finally resulted in identifying the most material sustainability topics for reMarkable.

Some of the topics we identified as most material are climate change mitigation, anti-corruption, resource use and circular economy, information security, and human rights in our value chain. Most of the impacts, risks and opportunities reMarkable face as a company, takes place throughout our value chain.

Circularity

We strive to minimize the lifetime impact of our products and services, making everlasting products and services that can pass through multiple life cycles, using recycled and reused materials produced with renewable energy. Re-using products is one of the most efficient methods to reduce the environmental impact of a product. Due to this, reMarkable is focusing on extending the lifetime of our reMarkable 2 device by both conducting refurbishment and repair. Refurbishment would mean that when a used device is returned from a customer, the device is tested according to the same quality requirements as a new device, re-packed and re-sold to another customer or used as a replacement product.

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

Product	Number units in 2022	Number units in 2023
reMarkable 1 (devices) recycled	869	0
reMarkable 2 (devices) recycled	0	6 398
reMarkable 2 (devices) refurbished	11 698	18 957
reMarkable 2 (devices) repaired	7 583	25 783

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

Other achievements related to circularity include:

- All packaging is 100% recyclable
- Battery longevity: The device battery retains 80% of the total capacity after being charged 500 times, ensuring a long life cycle.

We will continue to work with circularity in 2024. The work will include setting and implementing strategies to promote circular outcomes, and spans across material usage in our products to efficient repair and refurbishment solutions.

Social impact

As a company with a global value chain, it is critical to be aware of the impact we have on the societies around and workers in our value chain activities. Therefore, we believe in close collaboration with our suppliers and stakeholders. We work with our suppliers to define goals and actions that support our efforts towards sustainability, and have continuous dialogue with them to provide support and feedback.

Supply chain

When we choose suppliers, through the Request for Proposal (RFP) processes, potential suppliers are evaluated based on their capabilities within sustainability, and sustainability commitments are defined as part of our process. We aim to work with suppliers sharing our values and concerns for the future.

reMarkable is taking several steps to ensure that human rights and decent working conditions are respected throughout the supply chain, all the way down to raw material sub-suppliers. We have prioritized work on three main areas in 2023.

Supplier Code of Conduct: Our Supplier Code of Conduct addresses topics such as labor rights, health and safety, environment and ethical governance. We have updated the policy to reflect our efforts and expectations we have to the suppliers. During 2023 and continuing into 2024, we are working to ensure that all direct first tier suppliers¹ understand and sign the Group's Supplier Code of Conduct, and commit to work with suppliers tiers²⁻ⁿ to ensure they, at a minimum, follow the same standard. Not accepting the Supplier Code of Conduct would disqualify a supplier in a RFP process.

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

Norwegian Transparency Act: We request information on how our suppliers and business partners work with fundamental human rights and decent working conditions. Our suppliers are also requested to share the same information from their supply chain - all the way to the

¹ Tier¹ suppliers refer to those with whom we maintain a direct financial relationship, whereby transactions are conducted directly with them.

extraction of raw materials. We use that information to conduct risk assessments to identify and mitigate potential and actual negative impact we can have on these important areas. This is extensive work, and we are constantly striving to improve our work in the area.

Besides the aspects required by Norwegian law, we also assess the risk in our value chain on corruption, political stability, LGBTI rights and gender equality. Findings from our work is published on reMarkable.com, and updated annually².

KPI description	2022	2023
First tier direct suppliers signed Supplier Code of Conduct (%)	100	100
First tier direct suppliers that have completed information related to the Norwegian Transparency Act (%)	100	100

We will continue to collect relevant data from direct suppliers in tiers2-n and our indirect suppliers in 2024, and to conduct subsequent risk assessments on their social impacts. Based on these risk assessments, we will make a plan on how to reduce the risks of our value chain contributing to violation of fundamental human rights and decent working conditions. During the year we will define KPIs and set short- and long-term targets for this work

Climate change

Greenhouse gas emissions are another key impact the consumer electronics industry has on the world. In recognizing this we have mapped our GHG emissions for our organization's own operations and for our products. We now have emissions data from 2021 until 2023, and are gradually improving data quality and completeness of our GHG inventory.

The results reflects an expanded scope of different emissions categories included in the accounting 2023. We have captured more of our relevant emissions categories and data sources than in previous years³. In the report below, reMarkable's offices in Oslo and our business travel, the downstream transportation of products, the production of products, the usage and end-of-life treatment of the sold products is included⁴.

GHG Accounts 2021-2023

Scope ⁵	Description	Emissions in tonnes CO ₂ eqv			
		2021	2022	2023	% change
Scope 1	Scope 1 total	-	-	-	-
	Scope 2 total (location)	4.0	4.9	6.3	29%

² See <https://remarkable.com/transparency-act> for our Transparency Act report

³ This analysis is based on the operational control aspect that defines what should be included in the carbon inventory, as well as in the different scopes.

⁴ The input data is based on internal and external data sources, converted into tonnes CO₂-eq. The analysis is based on the Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol). This is the most important standard for measuring GHG emissions and was the basis for the ISO standard 14064-I.

⁵ Scope 1 are all direct emission sources where the organisation has operational control. Scope 2 are emissions from electricity and district heating purchased by the Group. Scope 3 are emissions related to the Group's value chain, and is not owned or controlled directly by the company.

Scope ⁵	Description	Emissions in tonnes CO ₂ eqv			
		2021	2022	2023	% change
Scope 2	Electricity - market	88.2	49.8	61.7	24%
	Electricity - location	1.8	1.4	2.3	64%
	District Heating - location	2.2	3.6	4.0	11%
Scope 3	Scope 3 total	32 403.8	26 433.3	40 122.7	52%
	Purchased goods and services	25 650.3	19 528.8	34 975.5	79%
	Fuel- and energy not included in scopes 1 and 2	1.9	2.3	2.9	26%
	Waste generated in operations	4.9	6.6	9.0	36%
	Business travels	1.2	n/a ⁶	376.6	-
	Employee commuting	5.7	13.9	36.9	165%
	Downstream transport	6 208.2	6 387	4 079.0	-36%
	Use of sold products	453.3	420.1	551.6	31%
	End-of-life treatment of sold products	78.3	73.7	91.2	24%
Sum	All emissions scopes 1, 2 & 3	32 408	26 438	40 129	52%

reMarkable does not have any scope 1 emissions, and only small scope 2 emissions related to energy use in our Oslo office. In 2023 we utilized four different office locations. The increase in scope 2 emissions is mainly due to an increased number of employees.

reMarkables main impact is from value chain activities, scope 3, with purchased products and services amounting to 87% of total emissions. The 52% increase from 2022 to 2023 in scope 3 is due to an increased amount of bought products and methodological changes in the emission factors used. The emissions factors used for this year's reporting are based on more primary data and product carbon footprints performed on the accessories. These two aspects combined entailed a higher emission for this category.

Downstream transportation and distribution, mainly consisting of air freight, represents 10% of the total emissions for 2023. Even though the number of sold units increased for 2023, the downstream transportation and distribution processes have undergone enhancements resulting in a reduction in transportation emissions. While the exact cause of this reduction is not explicitly determined, it is likely attributed to the concerted efforts towards sustainability initiatives and the improved logistical efficiency implemented by DHL. These efforts encompass various factors such as optimizing shipment weight, streamlining routes, and implementing eco-friendly transport modes.

⁶ The data for business travels in 2022 were not available, but we estimate them to be significantly higher than in 2021 due to increased number and distance of business travels

Going forward, we will use the data collected as a baseline for setting climate targets and work to radically reduce our GHG emissions in the coming years.

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.

**Vegard Gullaksen
Veiteberg**
Chair of the Board

Marius Juul Møller
Board member

Philip S. Hess
Chief executive officer

**Mikkel Andreas
Ektvedt**
Deputy Board member

Oslo (Norway)
19 June 2024

reMarkable AS

STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in USD thousand</i>	Notes	2023	2022
Revenue from contracts with customers	3.2	338 078	265 730
Total operating income		338 078	265 730
Cost of materials	6.1	(176 017)	(131 766)
Employee benefit expenses	3.3	(41 730)	(32 383)
Other operating expenses	3.4	(82 703)	(97 781)
Depreciation and amortization	4.1, 4.2, 5.4	(8 970)	(6 943)
Operating profit/(loss)		28 658	(3 143)
Financial income		1 136	206
Financial expenses		(2 278)	(1 719)
Other financial gains/(losses)		576	(2 213)
Net financial result	3.6	(566)	(3 725)
Profit/(loss) before income tax		28 092	(6 868)
Income tax (expense)/income	3.5	(6 839)	1 083
PROFIT/(LOSS) FOR THE YEAR		21 253	(5 785)
Net other comprehensive income/(loss)		-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		21 253	(5 785)

STATEMENT OF FINANCIAL POSITION

<i>Amounts in USD thousand</i>	Notes	31 December 2023	31 December 2022	1 January 2022
ASSETS				
Non-current assets				
Intangible assets	4.2	42 967	25 160	13 735
Property, plant and equipment	4.1	4 186	5 610	5 345
Net deferred tax assets	3.5	293	2 750	946
Other non-current financial assets	5.2	5 415	5 477	462
Total non-current assets		52 861	38 997	20 488
Current assets				
Inventories	6.1	42 141	25 008	46 071
Trade receivables	6.2	9 758	2 608	6 254
Other current assets		5 611	4 573	7 666
Cash and cash equivalents	6.3	93 031	52 566	72 099
Total current assets		150 541	84 755	132 089
TOTAL ASSETS		203 402	123 752	152 577

<i>Amounts in USD thousand</i>	31 December 2023	31 December 2022	1 January 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital <i>5.8</i>	494	494	352
Share premium <i>5.8</i>	9 524	9 524	8 639
Retained earnings	29 740	8 602	15 555
Other equity	17 899	17 899	17 899
Total equity	57 657	36 519	42 445
LIABILITIES			
Borrowings <i>5.3</i>	48 170	-	-
Lease liabilities <i>5.4</i>	-	274	1 450
Non-current provisions <i>6.5</i>	-	154	170
Total non-current liabilities	48 170	428	1 620
Trade and other payables <i>6.4</i>	32 686	31 338	22 025
Lease liabilities (current portion) <i>5.4</i>	136	1 221	1 203
Borrowings <i>5.3</i>	4	14 379	25 528
Current tax liabilities	4 477	779	4 836
Current provisions <i>6.5</i>	2 090	873	717
Other current liabilities <i>6.4</i>	58 182	38 215	54 203
Total current liabilities	97 575	86 805	108 513
Total liabilities	145 745	87 233	110 133
TOTAL EQUITY AND LIABILITIES	203 402	123 752	152 577

**Vegard Gullaksen
Veiteberg**

Chair of the Board

Marius Juul Møller

Board member

Philip S. Hess

Chief executive officer

**Mikkel Andreas
Ektvedt**

Deputy Board member

Oslo (Norway)

19 June 2024

STATEMENT OF CASH FLOWS

<i>Amounts in USD thousand</i>	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		28 092	(6 868)
Adjustments for:			
Depreciation and amortization	4.1, 4.2, 5.4	8 970	6 943
Net financial income and expenses	3.6	845	694
Net foreign exchange differences		(289)	(303)
Working capital changes:			
Decrease (increase) in inventories		(17 133)	21 063
Decrease/(increase) in trade receivables, contract assets and prepayments		(8 188)	4 096
Change in trade payables, contract liabilities and other payables relating to operating activities		21 263	(6 484)
Change in provisions relating to operating activities		1 217	156
Income tax paid		(727)	(4 432)
Interests received		1 136	206
Net cash flow from operating activities		35 186	15 070
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Expenditures on intangible assets	4.1	(23 863)	(16 104)
Payment of deposits		62	(5 015)
Expenditures on property, plant and equipment	4.2	(1 490)	(2 529)
Net cash flow from investing activities		(25 291)	(23 648)
CASH FLOW FROM FINANCING ACTIVITIES:			
Payments of loans and borrowings	5.5	(14 379)	(25 528)
Interests paid	5.5	(1 980)	(902)
Cash receipt from borrowings	5.5	48 354	14 379
Payment of principal portion of lease liabilities	5.5	(1 309)	(1 079)
Proceeds from issuance of shares	5.8	-	3 670
Group contribution		(115)	(1 496)
Net cash flow from financing activities		30 571	(10 955)
Net increase/(decrease) in cash and cash equivalents		40 466	(19 533)
Cash and cash equivalents at the beginning of the period		52 566	72 099
Cash and cash equivalents at the end of the period		93 031	52 566

STATEMENT OF CHANGES IN EQUITY

<i>Amounts in USD thousand</i>	Share capital (section 5.8)	Share premium (section 5.8)	Retained earnings	Other equity	Total equity
Balance at 1 January 2022	352	8 639	15 555	17 899	42 445
Profit/(loss) for the year	-	-	(5 785)	-	(5 785)
Issue of ordinary shares 5,8	142	885	-	-	1 027
Group contribution	-	-	(1 167)	-	(1 167)
Balance at 31 December 2022	494	9 524	8 603	17 899	36 519
Balance at 1 January 2023	494	9 524	8 603	17 899	36 519
Profit/(loss) for the year	-	-	21 253	-	21 253
Group contribution	-	-	(115)	-	(115)
Balance at 31 December 2023	494	9 524	29 741	17 899	57 657

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SECTION 1 Company information and basis of preparation

This section includes information on corporate information, Company structure, basis of preparation and an overview of general accounting policies and critical accounting judgements and estimates in the Company.

1.1 Corporate information

reMarkable AS (“the Company”) is a Norwegian company that develops, markets, and sells consumer electronics products termed ‘paper tablets’ and associated accessories. It is a wholly owned subsidiary of reMarkable Invest AS.

The registered office of the Company is located at Fridtjof Nansens vei 12 (changed from Biermanns gate 6 in Oslo, Norway, in February 2024). The Company is registered in Oslo in Norway. The Company was registered on 21 June 2016 and founded on 11 May 2016.

These annual financial statements of reMarkable AS for the year ended 31 December 2023, and comparative period for 31 December 2022, with date of transition to IFRS® Accounting Standards on 1 January 2022, were authorized for issue in accordance with a resolution of the Board of directors on 19 June 2024. These financial statements are to be approved by the annual general meeting in June 2024.

1.2 Basis of preparation

These are the first annual financial statements prepared by the Company in accordance with the IFRS Accounting Standards as adopted by the European Union (EU). See more details on the effects of the transition to IFRS in Section 8.

The financial statements are presented in USD and all amounts are rounded to the nearest thousand, unless stated otherwise.

These annual financial statements have been prepared based on the going concern assumption. When preparing financial statements, Management has made an assessment of the Company’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 Company’s ability to continue as a going concern.

These annual financial statements have been prepared following the historical cost basis, with no material exceptions.

1.3 New standards and interpretations adopted by the Company and other changes in accounting policies

As required by IFRS 1 - First-time Adoption of International Financial Reporting Standards, the Company has applied the same accounting policies for all periods presented in the financial statements (including financial position at date of transition to IFRS Accounting Standards). These accounting policies are the ones including all standards, amendments and interpretations effective for the annual periods beginning on or after 1 January 2023.

1.4 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company’s future reporting periods and foreseeable future transactions.

1.5 Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. Management believes the underlying assumptions are appropriate.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different when, and to the extent that, the uncertainty is resolved. These areas are as follows:

- Capitalization of integrations and implementation costs incurred in cloud service contracts. See Note 4.2 for further details on this critical judgement.

1.6 Significant transactions and events during the reporting period

The main transactions and events in relation to the Company are the following ones:

Transactions and events	Disclosure notes
The Company became a guarantor for the bond issued by the parent company reMarkable Invest AS denominated in NOK, for a nominal amount of NOK 500 million. Subsequently, the Company received an intercompany loan amounting to NOK 490 million from the reMarkable Invest AS.	Sections 5.1 and 5.3

Other than those noted above, the Company has presented the material information of its financial position, highlighting any material changes, policies, judgements and estimates in the Company for the period presented.

SECTION 2 Summary of general accounting policies, estimates and judgements

Overview

This section includes an overview of the general accounting policies, which are those that do not relate to a specific line item in the financial statements, and it also includes reference to any significant judgements and estimates used when applying the Company's accounting policies.

2.1 Foreign currency

2.1.1 Functional currency

The Company presents its financial statements in USD, which is also the functional currency of the Company.

Accounting judgements – determination of functional currency

Management has assessed the functional currency of reMarkable AS. Based on an analysis of its primary indicators (i.e., sales and operating expenses), it is concluded that the dominating currency is USD. This is mainly supported by degree of sales nominated in USD with respect to other currencies, the competitive force of the US in these markets, and the vast majority of production costs of inventory being denominated in USD.

The Company will reassess the functional currency of the Company when there is a change in events and conditions which determine the primary economic environment assessment.

2.1.2 Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition, at the spot rate at which the transaction qualifies for recognition under IFRS, unless applying average rates for the month would give a fair approximation to using the actual rates. For monetary items, the difference between the spot exchange rate at reporting date (or settlement date) and initial rate is recognized in the statement of comprehensive income, at each reporting date and until the moment of the settlement.

Non-monetary items are translated using the rates at initial recognition.

2.2 Statement of cash flows

The Company presents interests paid in financing activities whereas those received are presented in its operating activities.

2.3 Government grants

The Company has received approval of two "SkatteFUNN" projects for the period of 2021-2023.

Both for 2023 and 2022 the sum of the funding for the projects was NOK 4 750 thousand (equivalent to USD 467 thousand and USD 482 thousand, respectively), which has reduced capitalized development in the statement of financial position and will be subsequently recognized to profit or loss through reduced depreciations.

SECTION 3 Results of the year

Overview

This section includes disclosures in relation to the financial performance of the Company over the periods presented, including those relating to financing activities.

3.1 Segment information

reMarkable's business is to develop, market, and sell consumer electronics products termed 'paper tablets', as well as associated accessories.

Operating segments are components of the Company regularly reviewed by the chief operating decision maker ("CODM") to assess performance and be able to allocate resources. The CODM in reMarkable is the board of directors. The Company as a whole is operated as a single segment. See note 3.2 for a disaggregation of revenue based on the major class of products in the Company.

During 2023, revenues from one of the Company's customers amounted to more than 10% of the Company's total revenues, totaling USD 48 million. No individual customers represented more than 10% of the Group's total revenues during 2022.

Revenue from external customers in Norway amounted to 0.7% (2022: 0.8%), and non-current assets to USD 40 million (2022: USD 29 million). Non-current assets held by the Company outside Norway are mainly located in Hong-Kong and constitute production machinery.

The only individually material country in terms of revenue for the Company is the United States of America, where the Company obtained USD 176 million of its revenue during 2023 (2022: USD 158 million). Revenue is attributed geographically based on the location of the Company's customers.

3.2 Revenue from contracts with customers

3.2.1 Ordinary activities of the Company

reMarkable Company's ordinary activities are to sell consumer electronics products termed 'paper tablets', associated accessories and subscriptions to its cloud-based solution, for value-added content and services, such as improved connectivity and additional storage space.

The majority of revenue from contracts with customers arise from the sale of the reMarkable device and its accessories from both the reMarkable website (directly to end-user) and through retailers and distributors.

During the periods presented in the financial statements, the Company's sales of tablets included the right for users access to the subscription offering (Connect) for up to one year, extended warranty period and extended return period. Services mentioned other than access to cloud cannot be obtained separately from the purchase of a tablet.

The Company's revenue can be disaggregated based on lines of product considering mainly the nature and uncertainties within each of these categories.

Accounting policies

Identification of contracts with customers and performance obligations

The Company acts as a principal on the sale of its products to customers. Two performance obligations are broadly identified in the Company: goods (mainly tablets and accessories) and access to cloud-based solutions (bundled or not with additional services).

Performance obligations for the sale of goods are satisfied at a point in time, mainly based on when risks are transferred to customers, when there is right to payment, and physical delivery has been completed in accordance with contractual terms (incoterms or otherwise stated). This means

that the Company typically recognized revenue upon delivery to end customers, or upon delivery in accordance with incoterms (typically DAP and DDP) to the retailers or distributors.

Services provided by the Company are satisfied linearly over the service period time, including those relating to extended warranty (service-type warranties). For service performance obligations associated with the sale of tablets, the Company applies the standard to its portfolio of performance obligations, as the Company reasonably expects that effects from applying the portfolio approach would not differ materially from the application on a contract-by-contract basis.

Goods delivered by reMarkable are typically prepaid when sales are directly made to end customers, and it ranges between 10 to 30 days after invoice date for retailers and distributors.

Transaction price

Irrespective of the sales channel, the transaction price for the sale of goods includes a variable element from the expected returns by customers (see Section 6.4 for further disclosures). Goods sold with a right of return are recognized as 'refund liabilities' within 'other current liabilities', with a corresponding decrease in revenue for the period. The right-of-return asset ('return assets') is recognized as 'other current assets' with a corresponding decrease in the 'cost of materials' of the Company.

For countries where taxes and duties on imports are included in final price to customers, the Company has applied judgement and concluded that it acts as an agent for such amounts, and therefore presents revenue net from payments to tax authorities. Judgement considered factors triggering the payment of the tax, risks held by reMarkable and the tax being based on sales price of the good.

The Company typically incurs payments to its customers for placement services (physically or in its clients' own sites, analogous to slotting fees) as a reduction in revenue. Otherwise, the Company recognizes consideration to customers in the same way as normal purchase of services, and typically include content creation and optimization.

The transaction price for the sale of goods and services in the Company also contains elements of variable consideration such as sales bonuses, discounts and rebates, which are recognized as reductions of revenue based on the expected values, but for which the Company considers no significant judgements or estimates are involved.

Allocation of transaction price to performance obligations

As indicated above, sales of tablets include some attached services. The Company estimates the value of the attached services mainly by reference to their market prices when sold separately.

3.2.2 Revenue disaggregation

Revenue by major class of products	2023	2022
<i>(Amounts in USD thousand)</i>		
Sales of devices and accessories (point in time)	320 780	249 400
Sale of subscriptions (over time)	17 298	16 331
Total revenue from contracts with customers	338 078	265 730

Taxes paid on imports are recognized as reduction of revenue and amounted to USD 11 534 thousand in 2023 (2022: USD 10 295 thousand).

3.2.3 Contract liabilities

The Company's contract liabilities mainly arise from the payment for the sale of tablets and accessories before control has been transferred to the customers, and from Connect subscription services. Sales of goods are typically recognized within days, and subscription services throughout the prepaid period (up to 12 months).

Return liabilities are not considered contract liabilities for the Company. These are classified on 'trade payables and other current liabilities' (see Section 6.4).

The Company held the following contract liabilities at the end of the periods presented:

	31 December 2023	31 December 2022	1 January 2022
Total contract liabilities			
<i>(Amounts in USD thousand)</i>			
Prepaid services	9 975	6 773	1 624
Prepaid goods	876	3 486	1 670
Total contract liabilities	10 851	10 259	3 294

The movement in contract liabilities during the period affecting revenue has been the following:

Movement in prepaid services	2023	2022
<i>(Amounts in USD thousand)</i>		
1 January	6 773	1 624
Increase during the year due to new sales	9 975	6 605
Decrease due to revenue from satisfaction of performance obligation	(6 773)	(1 456)
31 December	9 975	6 773

Additionally, all advances from customers for provision of goods, recognized as contract liabilities at 31 December 2022, have been recognized as revenue during 2023.

3.3 Employee benefits

The number of year-equivalent employed by the Company over the 2023 financial period has been 431 (2022: 301). The Company's remuneration to employees mainly includes salaries, bonuses, and other benefits.

Employee benefits for the periods presented in the financial statements are disaggregated as follows:

Employee benefit expenses	2023	2022
<i>(Amounts in USD thousand)</i>		
Salaries (incl. holiday pay, insurance and other working benefits) and bonuses	38 168	28 587
Payroll tax	5 275	3 753
Defined contribution pension costs	6 343	4 420
Other benefits	1 302	1 221
Total employee benefit expenses	51 088	37 981
Capitalization of employee benefits	(9 358)	(5 598)
Total employee benefits net of capitalizations	41 730	32 383

The capitalization of employee benefit expenses is mainly due to works performed by the Company's employees developing new products and software recognised as intangible assets. See section Section 4.2 for further disclosures.

3.3.1 Pension schemes

The Company is required to have an occupational pension scheme for its employees in accordance with the Norwegian law on required occupational pension. The Company's pension scheme meets the requirements of that law. Employees covered by the Company's pension scheme amounted to 431 at 31 December 2023 (31 December 2022: 301; and 1 January 2022: 189).

3.3.2 Employee share purchase program

reMarkable Holding AS (ultimate parent of reMarkable AS) offers reMarkable AS' employees the possibility to invest in the reMarkable Invest AS through the purchase of shares in reMarkable Employee Share Holding I AS, which is a company controlled by reMarkable Holding AS and that owns shares in reMarkable Invest AS. See Section 5.8 for further information on the Company's ownership structure.

The purpose of the employee share program is to give employees the opportunity to participate in the value creation of reMarkable AS. All employees of reMarkable AS and individuals who have signed employment with reMarkable AS are eligible to invest. The employee's investment is limited to a share of their annual salary. The employees have a vesting period of 3 years. Until the vesting period is completed, reMarkable Holding AS has to different extents the right to repurchase the shares at the lower of purchase price equal to the consideration paid by the employee or the current market value.

The subscription price is deemed to equal the fair value of the reMarkable Employee Share Holding I AS' shares. Management has analyzed whether there is any difference between the fair value of the shares and the subscription price, and it has been concluded that this difference is expected to be negligible if any. Consequently, no employee benefits have been recognized.

The overall investment made by employees during 2023 and 2022 amounted to nil, and USD 1.2 million, respectively.

3.4 Other operating expenses

Other operating expenses incurred by the Company can be disaggregated as follows:

Other operating expenses	2023	2022
<i>(Amounts in USD thousand)</i>		
Selling and distribution services	57 430	73 971
Audit, legal, and other consulting fees	14 896	14 559
Software license fees and implementation costs	3 143	3 905
Short-term and low values leases	4 338	3 108
Others	2 896	2 238
Total other operating expenses	82 703	97 781

3.4.1 Fees to statutory auditors

The total remuneration to the auditor for the periods presented in these financial statements has been the following:

Remuneration to auditors	2023	2022
<i>(Amounts in USD thousand)</i>		
Statutory auditing	245	140
Other certification services	8	8
Tax advice	16	10
Other non-auditing services	139	43
Total remuneration to auditors	408	201

3.5 Income tax

Accounting policies

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred taxes are calculated at 22% of the temporary differences between book value and tax values, in addition to tax losses carried forward at the end of the accounting year.

The income tax rate has been determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realized, or the deferred income tax liabilities are settled.

3.5.1 Income tax expense

Income tax	2023	2022
<i>(Amounts in USD thousand)</i>		
Current income tax	4 477	810
Changes in deferred tax	2 362	(1 893)
Tax cost in P&L	6 839	(1 083)
Current income tax	4 382	810
Tax on group contribution	-	(31)
Tax payable	4 382	779
Calculation of effective tax rate		
Calculated tax on profit before tax with 22%	6 180	(1 511)
Tax effect of permanent differences	659	428
Total calculated tax expense	6 839	(1 083)
Effective tax rate	24 %	16 %

The functional currency of the companies within the Company 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 Company.

3.5.2 Reconciliation of deferred tax

Reconciliation of deferred tax	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Fixed assets	3 668	(2 704)	(224)
Inventory	(958)	3 146	11 230
Other current assets	-	1 097	872
Contract liabilities	-	(6 330)	(1 339)
Short-term debt	(4 103)	(7 533)	(14 628)
Right-of-use asset	462	1 522	2 823
Lease liabilities	(136)	(1 495)	(2 653)
Provisions	(152)	(154)	(170)
Other translation differences	(110)	(51)	-
Net differences	(1 330)	(12 502)	(4 089)
Not included in DTA		-	(210)
Deferred tax asset base	(1 330)	(12 502)	(4 299)
Deferred tax asset based on 22%	(293)	(2 750)	(946)

The Company did not have any unrecognized tax losses carried forward at any of the reporting periods presented.

The decrease in the deferred tax asset of the Company during 2023 is mainly explained by a change in the Company's applied principles for tax accounting for certain areas, including revenue from contracts with customers. This effect resulted in a decrease of deferred tax assets of USD 1.7 million, with an offsetting effect on current income tax.

3.6 Financial result

Net financial result	2023	2022
<i>(Amounts in USD thousand)</i>		
Financial income	1 136	206
Interest income on bank deposits	1 136	206
Financial expenses	(2 278)	(1 719)
Interests on borrowings	(1 921)	(810)
Interests on lease liabilities	(60)	(90)
Other financial expenses	(297)	(819)
Net foreign currency gains (losses)	576	(2 213)
Net financial result	(566)	(3 725)

SECTION 4 Invested capital

Overview

This section includes disclosures in relation to the capital invested by the Company in its tangible and intangible assets.

4.1 Property, plant and equipment

4.1.1 Classes of PPE assets held by the Company

The Company's property, plant and equipment (PPE) mainly consists of production machinery, and office equipment (including those in relation to information technology such as laptops, servers and similar nature). Additionally, the Company also presents right-of-use assets together with its PPE, which mainly comprise its headquarter offices in Oslo.

Accounting policies

The Company initially recognizes its PPE at cost, and subsequent cost is accounted at initial cost minus accumulated depreciation and impairments.

4.1.2 Reconciliation of carrying amounts

The following table includes a reconciliation of the carrying amount of the property, plant and equipment held by the Company:

Property, plant and equipment <i>(Amounts in USD thousand)</i>	Machinery and equipment	Leasehold improvements	Right-of-use assets	Total
Year ended 31 December 2022				
Cost	643	1 861	3 150	5 654
Accumulated depreciation and impairment	(155)	(154)	-	(309)
Opening book amount	488	1 707	3 150	5 345
Additions	2 308	-	221	2 529
Depreciation charge	(328)	(594)	(1 342)	(2 264)
Cost	2 951	1 861	3 371	8 183
Accumulated depreciation and impairment	(483)	(748)	(1 342)	(2 573)
Closing book amount	2 467	1 113	2 029	5 609
Year ended 31 December 2023				
Additions	1 490	-	-	1 490
Depreciation charge	(845)	(565)	(1 504)	(2 914)
Cost	4 441	1 861	3 371	9 673
Accumulated depreciation and impairment	(1 328)	(1 313)	(2 846)	(5 487)
Closing book amount 31 December 2023	3 113	548	525	4 186

The increase in machinery and equipment by the Company is mainly explained by the investment in the manufacturing facilities where reMarkable goods are produced.

Accounting estimates – useful lives and depreciation methods

The following depreciation methods and useful lives have been identified for each of the class of PPE assets identified in the Company:

	Machinery and equipment	Leasehold improvements	Right-of-use assets
Depreciation method	Straight-line	Straight-line	Straight-line
Useful life	3-5 years	Less than 1 year	Less than 1 year

The Company reviews useful life of its PPE assets at least at each period end, considering factors such as their obsolescence and expected levels of wear and tear.

The useful life of the right-of-use assets represents the remaining lease term held by the Company.

4.2 Intangible assets

4.2.1 Classes of intangible assets held by the Company

The Company identifies the following major classes of assets based on their nature and use for the Company:

Own-developed technology	Own-developed technology includes the development of the technology related to tablets, products and services produced by the Company. This also includes improvement of design and functionalities of existing products and new products.
Software	Software held by the Company is mainly comprised by the Company’s enterprise resource planning systems, and other systems linked to design, production and analysis of the Company’s activities as well as integrations between them. This category also includes the Company’s own work made on software controlled by the Company.
Patents and other rights	Patents include the development of products or functionalities. This mainly comprise acquired patents. Other rights comprise online store development.

Accounting policies

The Company recognizes its intangible assets, initially at cost, and subsequently at cost, minus accumulated depreciation and impairments.

4.2.2 Reconciliation of carrying amounts

The following table includes a reconciliation of the carrying amount of the intangible assets held by the Company:

Intangible assets	Own-developed technology	Software	Patents and other rights	Total
<i>(Amounts in USD thousand)</i>				
At 1 January 2022				
Cost	20 496	127	27	20 650
Accumulated amortization	(6 850)	(57)	(8)	(6 915)
Opening book amount	13 646	70	19	13 735
Additions	7 874	1 437	1 149	10 460
Additions from internal development	5 644	-	-	5 644
Amortization	(4 561)	(6)	(112)	(4 679)
Cost	34 014	1 564	1 176	36 754
Accumulated amortization	(11 411)	(63)	(120)	(11 594)
Closing book amount	22 603	1 501	1 056	25 160
Year ended 31 December 2023				
Additions	8 446	3 325	1 905	13 676
Additions from internal development	8 032	2 155	-	10 187
Amortization	(5 647)	(9)	(400)	(6 056)
Cost	50 492	7 044	3 081	60 617
Accumulated amortization	(17 058)	(72)	(519)	(17 650)
Closing book amount	33 434	6 972	2 561	42 967

Capitalized expenditures on own-developed technology are related to improvements made on existing products and development of new products, accessories and software amounted to a total of USD 16.5 million during 2023 (2022: USD 13.5 million).

Additions to software during 2023 and 2022 are mainly related to the enterprise resource planning (ERP), supply chain and customer management systems' implementation. The Company performed significant integrations between the systems to enable proper data flows between the aforementioned systems, and other systems held by the Company. Total expenditure for these projects, excluding ongoing costs to access to the cloud systems, amounted to USD 7.2 million in 2023, and an additional USD 4.2 million in 2022. Out of these amounts, the Company capitalized as part of its intangible assets USD 5.4 million in 2023, and USD 1.4 million in 2022, which required the exercise of significant judgement by Management, as further described below.

Critical accounting judgement – capitalization of integrations and implementation costs incurred in cloud service contracts

A significant amount of the Company's software assets is cloud-based systems, where the code resides in the seller's hardware, and the Company can access it through an internet connection.

When capitalizing costs in relation to implementing software as a service systems, the Company applies significant judgement to specifically assess whether the code produced during customizations (i.e., actions leading to new or improved functionalities) and integrations between systems is controlled by the Company, either through copyright over the code, or through ownership of a copy over the code. Specifically, when the Company obtains ownership over a copy over the code, the Company considers decision making over that copy, such as relevant decisions over updates or maintenance, and its ability to restrict others to access the Company's copy of the additional code.

Intangible assets resulting from capitalized expenditures in relation to software as a service system are expensed over the contractual term of the SaaS arrangement and including any expected renewals until useful life of the developed assets are completed.

Accounting judgement – capitalization of internally generated intangible assets

The Company exercises significant judgement when deciding on the capitalization of its development projects. The area of judgement comes to assessing whether all the requirements as stated in IAS 38 have been met, particularly when differentiating research from development phase, where the Company relies on its internal processes to document such conclusions. In deciding the project phase, Management relies on each specific development project reaching a milestone in the development phase where the technological feasibility and economic viability of the project is confirmed.

Accounting estimates – useful lives and amortization methods

The amortization method, and the useful lives of by class of intangible assets are the following:

	Development	Software	Patents	Other rights
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line
Useful life	3-5 years	15 years	10 years	5 years

Management reassesses at each financial year-end, or earlier if Management identifies any specific indications, the remaining useful lives of its intangible assets. Specifically, for its software assets, Management considers technical, technological or commercial obsolescence are the most relevant factors in determining useful life. For development, Management considers the expected product life cycles independently and in relation to the industry.

SECTION 5 Capital and debt structure

Overview

This section includes disclosures in relation to the capital and debt structure of the Company, including the material items in relation to borrowings, and information about the equity of the Company.

5.1 Financial instruments

This section contains an overview of the Company's financial assets and liabilities. None of the financial instruments held by the Company are measured at fair value. The financial instruments' amortized cost is considered to be a close approximation to their fair value.

Financial assets	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Financial assets at amortised cost:			
Other non-current financial assets	5 415	5 477	462
Trade receivables	9 758	2 608	6 254
Cash and cash equivalents	93 031	52 566	72 099
Total financial assets	108 204	60 650	78 815

Financial liabilities	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Financial liabilities at amortised cost:			
Borrowings from related parties	48 174	-	-
Supply chain financing	-	14 379	25 528
Lease liabilities	136	1 495	2 653
Trade and other payables	32 686	31 338	22 025
Total financial liabilities	80 996	47 212	50 206

5.2 Non-current financial assets

Non-current financial assets mainly consist of deposits for the lease of the office space the Company is going to commence in 2024. These deposits amounted to USD 5 346 thousand at 31 December 2023 (31 December 2022: USD 5 407 thousand). See Section 5.4 for further information on lease commitments.

5.3 Borrowings

The Company enters into borrowings to finance its operations. Over the periods presented, the main form of financing has been through an intercompany loan with the parent company reMarkable Invest AS entered into at the end of 2023, and through its supply chain financing arrangement. This supply chain financing agreement has been available during all reporting periods presented.

Accounting policies

Borrowings are initially recognized at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortized cost. Any difference between the net proceeds and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Supply chain financing

The Company presents amounts held from its supply chain facilities as part of its borrowings. In deciding this presentation, the Company considers the nature, commercial purpose and specific terms of the agreement.

For presentation in the statement of cash flows, see Section 2.3.

The following table disaggregates interest-bearing loans held by the Company:

Overview of borrowings	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Non-current			
Borrowings from related parties	48 170	-	-
Total non-current borrowings	48 170	-	-
Current			
Borrowings from related parties	4	-	-
Other borrowings	-	-	1 887
Supply chain financing	-	14 379	23 641
Total current borrowings	4	14 379	25 528
Total borrowings	48 174	14 379	25 528

The increase in borrowings during 2023 is due to the intercompany loan with the parent company for the amount of NOK 490 million (equivalent to USD 48.7 million at 31 December 2023). The funds for the intercompany loan have been raised by reMarkable Invest AS through bond issue in October 2023, of which reMarkable AS is a guarantor.

5.3.1 Main terms and conditions

Intercompany loan agreement

reMarkable Invest AS (parent of the Company) issued a bond in October 2023, for a nominal amount of NOK 500 million, and accruing interests at 3 months NIBOR plus 7% margin, to finance reMarkable AS operations. No principal is paid until maturity date (October 2027), and interest is paid quarterly.

reMarkable Invest AS has the possibility to early repay its bond at any time, with certain compensations to bondholders for lost interest, and the possibility to early repay up to 35% of the bond upon the reMarkable Invest AS' equity (or the one of any of its holding companies) becoming listed.

The bondholders also have the possibility of early repayment of the bond due to change of control or unfavorable tax events.

Following the bond issuance, reMarkable Invest AS and the Company signed intercompany loan agreement dated 28 December 2023 for a nominal amount of NOK 490 million. The interest rate is variable, and comprised of the interest rate that reMarkable Invest AS pays for the bond, plus a margin of 0.7%.

Supply chain financing

In June 2022, the Company signed a supply chain financing agreement, which gave access to up to USD 20 million (increased to USD 25 million by year-end 2022) of uncommitted credit facility for the settlement of invoices issued by its main suppliers. The interest rate is determined by a 3.5% margin plus LIBOR (London Interbank Offered Rate). Credit term is up to 90 days after the supplier's invoices fall due. This agreement was updated during 2023 leaving terms mentioned substantially unchanged. Margin was updated to 3.55% plus 3 months SOFR (Secured Overnight Financing Rate).

5.3.2 Compliance with covenants

The Company is subject to financial covenants for its supply chain financing, whose main characteristics are described further below. The Company also acts as one of the guarantors in the bond agreement entered into by the parent reMarkable Invest AS and therefore is subject to the covenants stipulated in this agreement.

All covenants were met throughout the reporting periods presented in these financial statements, and there are no indications that the Company may have difficulties complying with the covenants in the foreseeable future.

Bond agreement

At year-end 2023, the Company is subject to the following financial covenants in relation to the bond (as guarantor of the reMarkable Invest AS' bond):

- At all times, minimum liquidity of NOK 100 million (or its equivalent in other currencies). Liquidity includes cash and cash equivalents; any unutilized and available amounts under SSRFC (super senior revolving credit facilities); and any credit of any Company on any payment processing platform.
- EBITDA of no less than NOK 150 million (or its equivalent in other currencies) for each 12 months period ending at the end of each quarter, or Leverage Ratio not greater than 4.0:1.

Leverage ratio is defined as net interest bearing debt to EBITDA. Compliance is measured at the end of each quarter.

These financial covenants are measured based on the consolidated annual and interim financial information prepared by reMarkable Invest AS, in accordance with the generally accepted accounting practices and principles (GAAP) in the jurisdiction in which reMarkable Invest AS is incorporated. In this case, reMarkable Invest AS issues annual and interim consolidated financial statements in accordance with IFRS Accounting Standards, with first reporting date 31 December 2023, and date of transition 1 January 2022.

Supply chain financing

The Company is also subject to financial covenants in its supply chain financing agreement. These financial covenants were updated during 2023 and became similar to those for the bond agreement (see above), however those are measured at the level of reMarkable AS financial information in accordance with the applicable GAAP, which is IFRS Accounting standards with first reporting date 31 December 2023, and date of transition 1 January 2022.

5.3.3 Assets pledged as security for liabilities

All assets of the Company are pledged for the outstanding bonds issued by the parent reMarkable Invest AS and other financing held at 31 December 2023. reMarkable Holding AS, which is the controlling entity over reMarkable Invest AS, is also a guarantor for the bond issued.

5.4 Leases

5.4.1 Nature of lessee's leasing activities

The Company's leasing activities mainly relate to office buildings. Additionally, the Company also leases IT equipment, furniture, and other small equipment.

Accounting policies

Right-of-use assets

The right-of-use assets are initially measured at cost. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairments and adjusted for certain remeasurements of the lease liabilities. Depreciation of the right-of-use asset is carried out using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities

Lease liabilities are recognized at the lease commencement date. The lease liabilities are measured as the present value of future lease payments, discounting by the Company's incremental borrowing rate.

Lease liabilities are measured at amortized cost using the effective interest rate method.

Short-term and low value leases

Except for its office buildings, the Company concludes the rest of the leases to meet the low value threshold, for which the Company elects to not account for right-of-use assets and lease liabilities.

Non-lease components

Non-lease components are separated from lease components in the Company and therefore not being considered in the estimation of the right-of-use assets and lease liabilities.

5.4.2 Right-of-use assets

The Company's right-of-use assets only pertain to its office buildings, and the reconciliation of its carrying values have been disclosed in Section 4.1.

5.4.3 Lease liabilities

The Company's lease liabilities and movements during the period are the following ones:

Lease liabilities	2023	2022
<i>(Amounts in USD thousand)</i>		
At 1 January	1 495	2 653
Additions	55	224
Interest expense	62	92
Lease payments	(1 371)	(1 170)
Currency effects	(105)	(303)
31 December	136	1 495
Current	136	1 221
Non-current	-	274

Disclosures on the maturity of lease liabilities are provided in the table below:

	31 December 2023	31 December 2022
Contractual maturities		
<i>(Amounts in USD thousand)</i>		
Less than 1 year	136	1 426
Between 1 and 3 years	-	144
Total contractual cash-flows	136	1 570
Recognized as liabilities	136	1 570

5.4.4 Amounts recognized in the statement of comprehensive income

	2023	2022
<i>(Amounts in USD thousand)</i>		
Interest expense (included in finance cost)	62	92
Expense relating to short-term and low-value leases	4 338	3 108
Expense relating to depreciation	1 504	1 342

Total cash outflows for leases have been USD 5 709 thousand for 2023 (2022: USD 4 278 thousand), including short-term and low value leases.

5.4.5 Other lease information

The Company had lease agreements not yet commenced as of the end of the reporting periods presented. The following table illustrates the undiscounted future lease payments, for the non-cancellable period of the leases:

Lease commitments	31 December 2023	31 December 2022
<i>(Amounts in USD thousand)</i>		
Less than 1 year	3 650	-
Between 1 and 3 years	7 299	7 533
Between 3 and 5 years	7 299	7 533
More than 5 years	18 248	22 598
Total lease commitments	36 496	37 663

This lease commitment mainly relates to the Company's new headquarter offices, and excludes short-term and low value leases.

5.5 Reconciliation of cash flows from financing activities

Reconciliation of cash flow from financing activities	Borrowings from related parties and other borrowings	Supply chain financing	Lease liabilities	Total
<i>(Amounts in USD thousand)</i>				
Liabilities from financing activities at 1 January 2022	1 887	23 641	2 653	28 181
Cash outflows from payments of principal	(1 887)	(23 641)	(1 079)	(26 607)
Interests paid	(78)	(732)	(92)	(902)
Cash inflows from new borrowings	-	14 379	-	14 379
New leases	-	-	224	224
Interest expense	78	732	92	902
Foreign currency effects			(303)	(303)
Liabilities from financing activities at 31 December 2022	-	14 379	1 495	15 874
Cash outflows from payments of principal	-	(14 379)	(1 309)	(15 688)
Interests paid		(1 918)	(62)	(1 980)
Cash inflows from new borrowings	48 354	-	-	48 354
New leases	-	-	55	55
Foreign exchange adjustments	(184)	-	(105)	(289)
Interest expense	4	1 918	62	1 984
Liabilities from financing activities at 31 December 2023	48 174	-	136	48 309

5.6 Financial risks and capital management

This section covers the main risks to which the Company is exposed, and how the Company manages those risks. Those risks are mainly credit risk, liquidity risk and market risk. For each type of risk identified, this note discloses or cross-references to information about the Company's exposures to the risk, how it arises; the Company's objectives, policies, and processes for managing the risk and the methods used to measure the risk. The Company's senior management oversees the management of these risks.

5.6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities,

including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Credit risk is mainly concentrated in the Company's trade receivables with customers, which mainly consist of receivables towards retailers and distributors.

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

reMarkable's retail distributor agreements typically involve an element of credit payment, but the Company assesses the risk of losses on receivables to be low on the back of only entering agreements with players that have undergone a counterparty check. In relation to an increased growth in the sales to retailers and distributors, the Company makes ongoing assessments of the payment terms provided, the credit risk entailed, and any other instruments that can be used to mitigate risk. The Company's trade receivables are not generally covered by credit insurance.

The Company follows up the ageing of the trade receivables with customers on an ongoing basis. As of the 31 December 2023, 99.7% of trade receivables were either not due or due less than 30 days (31 December 2022: 95.6%).

Cash and cash equivalents

The Company manages its exposure towards credit risks of individual banks by considering the amount of deposits that can be held in a single bank, considering among other factors the credit rating of its banks.

The Company is also exposed to credit risks from its cash equivalents, which are amounts held in payment processor companies. The Company performs an individual analysis of each agreement with payment processors, and regularly follows up credit ratings reports of such companies.

Other non-current assets

Other non-current assets mainly relate to its deposits for leases (see Section 5.2). These deposits are established in specific bank accounts for such purpose, and therefore is not exposed to individual credit risks of the lease provider.

5.6.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity risk by regularly monitoring its liquidity needs for working capital, and strategical investments, both for short-term and long-term needs, and periodically updates estimations through rolling forecasts. Additionally, the Company has access to additional liquidity, from its supply chain financing facility, another multifunctional currency line, and additional tap issues to its bond (see Note 5.3 for further details).

5.6.2.1 Contractual maturities for financial liabilities

Contractual maturities of lease liabilities are disclosed in Note 5.4.3.

Contractual maturities	Less than one year	Between one and three years	More than three years	Total
<i>(Amounts in USD thousand)</i>				
31 December 2023				
Borrowings from related parties	6 021	12 042	54 191	72 254
Trade and other payables	32 686	-	-	32 686
Other current liabilities	58 181	-	-	58 181
Total	96 888	12 042	54 191	163 121
31 December 2022				
Supply chain financing	14 379	-	-	14 379
Trade and other payables	31 338	-	-	31 338
Other current liabilities	38 215	-	-	38 215
Total	83 932	-	-	83 932
1 January 2022				
Supply chain financing	23 641	-	-	23 641
Trade and other payables	22 025	-	-	22 025
Other current liabilities	54 203	-	-	54 203
Total	99 869	-	-	99 869

5.6.3 Market risk

Market risk for the Company is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises two types of risk: currency risk and interest rate risk.

5.6.3.1 Interest rate risk

Interest rate risk for the Company is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is mainly exposed to interest rate risk from its interest-bearing debt, including the bond and the supply chain financing, as these instruments are exposed to changes in NIBOR. Part of the Company's exposure to interest rates is compensated by holdings of cash and cash equivalents. The Company does not use any derivatives to hedge against the variability on interest rates.

The following table demonstrates the sensitivity of the Company to a reasonably possible change in interest rates. With all other variables held constant, the Company's profit after tax and equity is affected through the impact on floating rate borrowings, as follows:

Sensitivity of changes in interest rates on borrowings	Impact on equity and profit after tax		
	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Increase in interest rate of 1%	(376)	(112)	(184)
Decrease in interest rate of 0.5%	188	56	92

The table above does not illustrate the offsetting effects of the holdings of cash and cash equivalents by the Company.

5.6.3.2 Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk in its financial assets and liabilities where the functional currency of the Company is different to the currency in which the asset will be paid, or the liability discharged. The Company's policy in this respect is to have a natural hedge, by which the Company match, to the extent possible, inflows and outflows of the currency.

The Company sells its products in multiple countries with pricing in local currencies. While the majority of the sales is in USD, the largest exposures to foreign currency with respect to sales and trade receivables consist of the EUR, GBP and, to a much lesser extent, NOK. The Company's expenditure commitments and a large part of the cost base (disregarding inventory cost, which is mainly denominated in USD) in foreign currency going forward will generally be denominated in NOK. Therefore, changes in the NOK/USD exchange rate have a direct impact on the Company's profitability as a stronger NOK will increase the Company's fixed cost base and vice versa.

The Company is also exposed to currency risks due to its intercompany loan being denominated in NOK (see Section 5.3), while the functional currency of the Company being USD.

The following table presents the Company's sensitivity to reasonably possible changes in exchange rates for the most material currencies in the Company. The following table includes financial instruments at different balance sheet dates that are denominated in other currency than USD:

Sensitivity of changes in foreign currency rates	Impact on equity and profit after tax		
	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
10% increase in amount of USD per:			
NOK	1 161	2 247	(1 952)
EUR	(940)	830	1 613
10% decrease in amount of USD per:			
NOK	(1 161)	(2 247)	1 952
EUR	940	(830)	(1 613)

5.7 Capital management

The Company defines capital as equity. The Company's main objective when managing capital is to ensure the ability of the Company to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants. See Section 5.3.1 for covenants to which the Company is subject to.

5.8 Share capital and ownership structure

reMarkable AS presents the following ownership structure:

Ownership of reMarkable AS	31 December 2023	31 December 2022	1 January 2022
<i>(Number of shares)</i>			
reMarkable Invest AS	45 404	45 404	30 000
Total shares	45 404	45 404	30 000

reMarkable AS has only one type of share, with a nominal amount of NOK 100. All shares have equal rights. There have been no changes in the number of shares, share capital or share premium of the Company during the 2023.

The ultimate controlling party of reMarkable AS is reMarkable Holding AS. This company owns, indirectly through its shares in reMarkable Invest AS and other subsidiaries, 98.84% of the Company's ordinary shares at 31 December 2023 (31 December 2022: 98.81%; 1 January 2022: 98.86%).

SECTION 6 Working capital

Overview

This section includes disclosures in relation to items considered part of the working capital of the Company, typically with a short-term nature, and related to its operating activities.

6.1 Inventories

Inventories held by the Company mainly consist of finished goods controlled by the Company, such as tablets, markers and other accessories; and a certain security stock of key components necessary for its goods to be produced. The Company is not manufacturing its own products. These are produced by third parties often referred to as 'electronic manufacturing services' (EMS) suppliers.

Accounting policies

Inventories are measured at cost, which for the Company is typically the purchase cost of its goods, transportation costs until the point the goods are in the distribution centers of the Company; and non-refundable taxes such as customs duties.

Cost of inventory is assigned based on the weighted average cost formula.

The following table illustrates the different classes of inventory held by the Company, and cost of materials:

Inventories	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Raw materials	7 426	4 074	11 295
Work in progress	3 288	3 663	2 989
Finished goods	31 427	17 271	31 787
Total inventories	42 141	25 008	46 071

Cost of materials	2023	2022
<i>(Amounts in USD thousand)</i>		
Purchase of materials	193 150	110 703
Change in inventories	(17 133)	21 063
Total cost of materials	176 017	131 766

Accounting judgements – inventory recognition

The Company recognizes reMarkable-specific inventory held by its electronic manufacturing suppliers and presents it as raw materials. In arriving to this conclusion, the Company considers several factors such as low rotation, obsolescence risks, and the ability of EMS supplier to redirect the inventories to alternative uses.

6.2 Trade receivables

Accounting policies

Trade receivables in the Company are measured at its amortized cost and reduced by the expected credit losses following the simplified approach under IFRS 9. Therefore, the Company does not follow up changes in credit risk and recognize expected lifetime losses at each reporting date.

The Company considers for its provision matrix its historical experience, adjusted by forward-looking information of its customers, industry, and general economic environment.

Trade receivables	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Trade receivables	9 758	2 608	6 254
Allowance for expected credit losses	-	-	-
Total trade receivables	9 758	2 608	6 254

6.3 Cash and cash equivalents

The Company's cash and cash equivalents mainly consist of cash in bank and cash equivalents held in payment service providers (PSPs), typically arising from sales through its web shop. Amounts held in PSPs can typically be transferred to the Company's bank accounts within days, at the Company's sole discretion.

Accounting policies

Cash held in payment service providers is considered as cash equivalents by the Company when the Company can conclude that there are insignificant risk of changes in value (including credit risk), no significant fees, and can readily be transformed into known amounts of cash.

The Company's cash and cash equivalents can be disaggregated as follows:

Cash and cash equivalents	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Cash at bank	79 813	37 569	68 271
Restricted cash (payroll)	2 977	2 259	1 960
Unrestricted cash	76 836	35 310	66 311
Cash equivalents	13 218	14 997	3 828
Total cash and cash equivalents	93 031	52 566	72 099

The Company also holds financing bank overdrafts in the form of supply chain financing. See specific disclosures in Section 5.3.

6.4 Trade payables and other current liabilities

Accounting policies

The Company presents refund liabilities separately from contract liabilities included in Section 3.2.

Trade, other payables and other current liabilities	31 December 2023	31 December 2022	1 January 2022
<i>(Amounts in USD thousand)</i>			
Trade and other payables	32 686	31 338	22 025
Trade payables	32 665	31 314	20 406
Other payables	21	24	1 619
Other current liabilities	58 181	38 215	54 203
Contract liabilities (see Section 3.2)	10 851	10 259	3 294
Refund liabilities	3 956	2 588	2 617
Payroll tax and other statutory liabilities	5 251	3 059	2 293
VAT payable	5 138	1 673	1 932
Raw materials in consignment (Section 6.1)	7 424	4 072	11 295
Other current liabilities	25 561	16 564	32 772
Total trade, other payables, and other current liabilities	90 867	69 553	76 228

Accounting estimates – estimated returns (refund liabilities)

The Company estimates returns on a continuous basis, considering historical experience (as long as it is representative of future expectations) and current information about future trends. Specifically, overstock clauses, and return periods granted to final customers are considered in estimating expected returns.

For this estimate, the Company estimates refund liabilities based on the expected value method for groups of contracts with similar characteristics, which are mainly differentiated by sales channel. Specifically, the Company also considers any overstock clauses when estimating refund liabilities from this revenue stream.

The conclusion on the volume of returns is a relevant input for the estimation of the right of return of inventories.

6.5 Provisions

The Company's provisions mainly relate to warranties over products sold, and other matters connected to its selling and production activities.

Accounting policies

Provisions for warranties

Provisions for warranties are measured based on Management's best estimate at the end of each reporting period. The amount of warranty provisions is based on an expected value model, where the Company uses historical information and current information about known or detected defects. Warranty provisions are considered for the whole population of goods sold and subject to warranty provisions, adjusting for known or expected cases affecting specific groups of goods (by series, production time, or any other applicable grouping).

Provisions in the Company at 31 December 2023 amounted to USD 2 052 thousand (31 December 2022: USD 873 thousand), of which USD 902 thousand (31 December 2022: 873 thousand) are provisions for warranties.

SECTION 7 Other disclosures

Overview

This section includes disclosures in relation topics other than those covered in the previous sections, including related parties and events after the reporting period.

7.1 Related parties

7.1.1 Remuneration to key management personnel

The Board received no remuneration during the periods presented in the financial statements.

Key management personnel in the Company is comprised of the board of directors, and the executive management personnel. Executive management personnel includes, among other, the chief executive officer, and other chief executives in finance, operations, strategy, and others having similar authority and responsibility for planning, directing and controlling the activities of the Company.

Key management personnel (incl. CEO)	2023	2022
<i>(Amounts in USD thousand)</i>		
Short-term employee benefits	3 130	2 534
Total remuneration to key management personnel	3 130	2 534

Remuneration to CEO	2023	2022
<i>(Amounts in USD thousand)</i>		
Short-term employee benefits	600	306
Other benefits	-	212
Total remuneration to CEO	600	518

7.1.2 Transactions and balances with related parties

Transactions and balances with related parties are presented in the tables below. The majority of the balances are related to the long-term intercompany loan received by the Company from the parent reMarkable Invest AS.

Transactions with related parties	Party	Relationship	2023	2022
<i>(Amounts in USD thousand)</i>				
Interest expense on long-term loan	reMarkable Invest AS	Parent company	4	-
Total related party profit or loss items			4	-

Balance sheet items by related party	31 December 2023	31 December 2022	1 January 2022
Other current receivables with:	190	9	2 649
reMarkable Employee Share Holding I AS	30	-	7
reMarkable Invest AS	159	9	2 643
Other current liabilities with:	20	166	1 449
reMarkable Holding AS	20	143	1 449
reMarkable Invest AS	-	24	-
Long-term-loan with:	48 170	-	-
reMarkable Invest AS	48 170	-	-

7.2 Commitments

The material capital commitments for the Company, at the end of the reporting periods presented, only relate to leasing, which is further disclosed in Section 5.4.5.

7.3 Events after the reporting period

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

SECTION 8 First-time adoption of IFRS

Overview

This section includes disclosures in relation to the Company's transition to IFRS, with opening IFRS statement of financial position at 1 January 2022, from its previous reporting under Norwegian GAAP.

8.1 Optional exemptions applied on the first-time adoption of IFRS

In applying IFRS 16, the Company has measured its right-of use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of transition to IFRS.

The Company has not applied any other exemptions available in IFRS 1.

8.2 Reconciliation of the Company's statement of financial position in accordance with Norwegian GAAP to its statement of financial position in accordance with IFRS, at the date of transition (1 January 2022)

<i>Amounts in currency thousand</i>	<i>Notes</i>	Norwegian GAAP (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 1 January 2022 (USD)
ASSETS					
Non-current assets					
Intangible assets		117 470	13 735	-	13 735
Property, plant and equipment	<i>A</i>	18 850	2 195	3 150	5 345
Net deferred tax assets	<i>C, E</i>	7 435	843	103	946
Other non-current financial assets		4 079	462	-	462
Total non-current assets		147 834	17 235	3 252	20 488
Current assets					
Inventories	<i>G</i>	311 867	34 776	11 295	46 071
Trade receivables		55 156	6 254	-	6 254
Other current assets	<i>A, E, F</i>	96 485	10 940	(3 274)	7 666
Cash and cash equivalents	<i>F</i>	602 106	68 270	3 829	72 099
Total current assets		1 065 614	120 240	11 849	132 089
TOTAL ASSETS		1 213 448	137 475	15 102	152 577

<i>Amounts in currency thousand</i>	<i>Notes</i>	Norwegian GAAP (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 1 January 2022 (USD)
EQUITY AND LIABILITIES					
EQUITY					
Share capital		3 000	352	-	352
Share premium		73 715	8 639	-	8 639
Retained earnings	<i>C, D, E, M</i>	138 258	14 776	779	15 555
Other equity		153 480	17 899	-	17 899
Total equity		368 453	41 666	779	42 445
LIABILITIES					
Borrowings		-	-	-	-
Lease liabilities	<i>A</i>	-	-	1 450	1 450
Non-current provisions	<i>A</i>	-	-	170	170
Other non-current liabilities		-	-	-	-
Total non-current liabilities		-	-	1 620	1 620
Trade and other payables		179 965	20 406	1 619	22 025
Lease liabilities (current portion)	<i>A</i>	-	-	1 203	1 203
Borrowings		208 500	23 641	1 887	25 528
Current tax liabilities		42 651	4 836	-	4 836
Current provisions	<i>K</i>	-	-	717	717
Other current liabilities	<i>C, G, K, M</i>	413 879	46 926	7 277	54 203
Total current liabilities		844 995	95 809	12 704	108 513
Total liabilities		844 995	95 809	14 324	110 133
TOTAL EQUITY AND LIABILITIES		1 213 448	137 475	15 102	152 577

8.3 Reconciliation of the Company's statement of financial position in accordance with Norwegian GAAP to its statement of financial position in accordance with IFRS, at 31 December 2022

<i>Amounts in currency thousand</i>	Notes	Norwegian GAAP (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 31 December 2022 (USD)
ASSETS					
Non-current assets					
Intangible assets	<i>H</i>	257 157	27 955	(2 795)	25 160
Property, plant and equipment	<i>A</i>	32 786	3 580	2 030	5 610
Net deferred tax assets	<i>C, E</i>	9 458	960	1 790	2 750
Other non-current financial assets		53 990	5 477	-	5 477
Total non-current assets		353 390	37 972	1 025	38 997
Current assets					
Inventories	<i>G</i>	206 583	20 936	4 072	25 008
Trade receivables		25 704	2 608	-	2 608
Other current assets	<i>A, E, F</i>	185 603	18 823	(14 250)	4 573
Cash and cash equivalents	<i>F</i>	370 332	37 571	14 995	52 566
Total current assets		788 222	79 938	4 817	84 755
TOTAL ASSETS		1 141 612	117 910	5 842	123 752

<i>Amounts in currency thousand</i>	Notes	Norwegian GAAP (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 31 December 2022 (USD)
EQUITY AND LIABILITIES					
EQUITY					
Share capital		4 540	494	-	494
Share premium		83 291	9 524	-	9 524
Retained earnings	<i>A, C, E, M</i>	160 962	14 990	(6 387)	8 602
Other equity		153 480	17 900	(1)	17 899
Total equity		402 273	42 908	(6 388)	36 519
LIABILITIES					
Borrowings		-	-	-	-
Lease liabilities	<i>A</i>	-	-	274	274
Non-current provisions	<i>A</i>	-	-	154	154
Other non-current liabilities		-	-	-	-
Total non-current liabilities		-	-	428	428
Trade and other payables		308 903	31 338	-	31 338
Lease liabilities (current portion)	<i>A</i>	-	-	1 221	1 221
Borrowings		141 736	14 379	-	14 379
Current tax liabilities		7 680	784	(5)	779
Current provisions	<i>K</i>	-	-	873	873
Other current liabilities	<i>C, G, K, M</i>	281 020	28 501	9 714	38 215
Total current liabilities		739 339	75 002	11 803	86 805
Total liabilities		739 339	75 002	12 231	87 233
TOTAL EQUITY AND LIABILITIES		1 141 612	117 910	5 843	123 752

8.4 Reconciliation of the Company's statement of comprehensive income in accordance with IFRS for the latest period in the entity's most recent financial statements (year 2022)

<i>Amounts in currency thousand</i>	Notes	NGAAP 2022 (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 2022 (USD)
Revenue from contracts with customers	<i>B, C, L</i>	2 565 750	266 111	(381)	265 730
Other income	<i>L</i>	146 270	15 171	(15 171)	-
Total operating income		2 712 020	281 282	(15 552)	265 730
Cost of materials	<i>B, E, J</i>	(1 530 172)	(158 461)	26 695	(131 766)
Employee benefit expenses		(312 602)	(32 383)	-	(32 383)
Other operating expenses	<i>A, H, J</i>	(755 014)	(79 981)	(17 800)	(97 781)
Depreciation and amortization	<i>A</i>	(50 480)	(5 601)	(1 342)	(6 943)
Operating profit/(loss)		63 752	4 856	(7 999)	(3 143)
Financial income	<i>I</i>	75 107	7 793	(7 587)	206
Financial expenses	<i>A, I</i>	(109 084)	(11 099)	9 381	(1 719)
Other financial gains/(losses)	<i>A, D, I</i>	-	(617)	(1 596)	(2 213)
Net financial result		(33 977)	(3 924)	198	(3 725)
Profit/(loss) before income tax		29 775	932	(7 800)	(6 868)
Income tax expense	<i>C, E, H</i>	(5 968)	(605)	1 688	1 083
PROFIT/(LOSS) FOR THE YEAR		23 807	327	(6 113)	(5 785)
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		n.a.	n.a.	(6 113)	(5 785)

8.5 Reconciliation of the Company's statement of cash-flows in accordance with IFRS for the latest period in the entity's most recent financial statements (year 2022)

<i>Amounts in USD thousand</i>	<i>Notes</i>	NGAAP 2022 (NOK)	NGAAP (functional and presentation currency USD)	Adjustments and reclassifications (USD)	IFRS 2022 (USD)
CASH FLOW FROM OPERATING ACTIVITIES:					
Profit/(loss) before income tax		29 775	932	(7 800)	(6 868)
Adjustments for:					
Depreciation and amortization	<i>A</i>	50 480	5 601	1 342	6 943
Net financial income and expenses	<i>A</i>	-	-	694	694
Net foreign exchange differences		-	(303)	-	(303)
Working capital changes:					
Decrease (increase) in inventories	<i>G</i>	105 284	13 840	7 223	21 063
Decrease/(increase) in trade receivables, contract assets and prepayments		29 452	3 646	450	4 096
Change in trade payables, contract liabilities and other payables relating to operating activities	<i>G</i>	128 938	13 397	(19 881)	(6 484)
Change in provisions relating to operating activities		-	-	156	156
Changes in other receivables and payables	<i>F</i>	(255 682)	(31 950)	31 950	-
Income tax paid		(42 651)	(4 432)	-	(4 432)
Interests received		-	-	206	206
Net cash flow from operating activities		45 596	732	14 339	15 070
CASH FLOW FROM INVESTMENT ACTIVITIES:					
Expenditures on intangible assets		(208 853)	(21 700)	5 596	(16 104)
Payment of deposits		-	-	(5 015)	(5 015)
Expenditures on property, plant and equipment		-	-	(2 529)	(2 529)
Net cash flow from investing activities		(208 853)	(21 700)	(1 948)	(23 648)
CASH FLOW FROM FINANCING ACTIVITIES:					
Payments of loans and borrowings		-	-	(25 528)	(25 528)
Interests paid		-	-	(902)	(902)
Net cash received (paid) from borrowings		(66 764)	(9 262)	9 262	-
Cash receipt from borrowings		-	-	14 379	14 379
Payment of principal portion of lease liabilities	<i>A</i>	-	-	(1 079)	(1 079)
Proceeds from issuance of shares		11 116	1 027	2 643	3 670
Group contribution		(12 869)	(1 496)	(0)	(1 496)
Net cash flow from financing activities		(68 517)	(9 731)	(1 224)	(10 955)
Net increase/(decrease) in cash and cash equivalents	<i>F</i>	(231 774)	(30 699)	11 166	(19 533)
Cash and cash equivalents at the beginning of the period	<i>F</i>	602 106	68 270	3 829	72 099
Cash and cash equivalents at the end of the period	<i>F</i>	370 332	37 571	14 995	52 566

8.6 Explanation of adjustments and reclassifications

A. Leases

Under NGAAP, the Company accounted for its leases as operating leases, therefore recognizing expenses on a straight-line basis over the lifetime of the contract, and not recognizing any right-of-use assets or lease liabilities. Under IFRS, the Company has identified leases where right-of-use assets and lease liabilities should be recognized.

This adjustment resulted in recognition of USD 3 150 thousand of right-of-use assets as well as recognition of USD 2 653 thousand of lease liabilities, USD 170 thousand of provisions and a USD 327 thousand reduction of other current assets on the date of transition to IFRS. The difference between lease liabilities and right-of-use assets relate to prepayments reclassified as right-of-use assets. During 2022, depreciation and financial expenses increased by USD 1 342 and 92 thousand respectively whereas other operating expenses decreased by USD 1 191 thousand. Due to the leases being denominated in NOK, there was USD 303 thousand other financial gains recognized related to foreign currency gains. At the end of the same period, right-of-use assets and lease liabilities increased to USD 2 030 thousand and USD 1 495 thousand, respectively together with an increase of USD 154 thousand of provisions and USD 47 thousand increase in retained earnings.

In the statement of cash flows under IFRS, payments for leases recognised as lease liabilities are classified as cash flows from financing activities. Under NGAAP, all lease payments were classified as cash flow from operating activities.

B. Customs duties and VAT on imports

Under NGAAP, the Company recognized amounts collected on behalf of tax authorities as a principal. These taxes apply to certain jurisdictions where the Company's customer is considered the importer of record. This led to gross recognition of customs duties and VAT on imports, both as revenue and costs of goods sold. Under IFRS, the Company has considered indicators defining whether the Company is acting as a principal or an agent under IFRS 15 and concluded that it meets the definition of an agent. Therefore, amounts presented as revenue from contracts with customers and corresponding cost of materials have been presented net, resulting in netting of USD 10 295 thousand for the 2022 financial year.

C. Identification of performance obligations and allocation of the transaction price

The Company has remeasured the allocation of the transaction price for free services offered together with the sale of its tablets, in accordance with Step 4 of IFRS 15 (allocating transaction price to performance obligations). Valuation was made in accordance with stand-alone subscription price of the free services, mainly based on the market price of these services when sold separately and recognized as revenue in line with the provision of the free services. On 1 January 2022, this resulted in the recognition of other current liabilities for USD 1 373 thousand, with a corresponding decrease of retained earnings for USD 1 071 thousand as well as USD 302 thousand increase in net deferred tax assets.

During 2022, this adjustment resulted in decrease in revenue of USD 5 257 thousand, with corresponding net increase of other current liabilities for the same amount. Additionally, this adjustment resulted in the decrease of income tax expense of USD 1 156 thousand with a corresponding increase of net deferred tax assets for the same amount as well as a decrease of USD 4 100 thousand in retained earnings for the same period.

Functional and presentation currency of the Company

For all periods up to and including 31 December 2022, the Company prepared its financial statements with NOK as its presentation currency, which was also considered the accounting currency of the Company under NGAAP. The Company used the possibility in NGAAP to use NOK as its accounting currency for measurement and presentation of the financial statements.

However, the Company has decided to present its first IFRS financial statements in USD, which has also been concluded to be the functional currency of the Company for all periods covered in these financial statements. See Section 2.1.1 for further details on how this assessment has been made. The change of presentation currency and use of the functional currency as the accounting currency resulted in a net increase in foreign currency losses of USD 654 thousand for 2022, and adjustment to opening equity of USD 1 294 thousand.

The translation has been carried out in the statement of financial position by applying to monetary items the closing rate, and to non-monetary amounts the exchange rate at the time items were recognized in the financial statements. For the statement of financial performance and statement of changes in cash flows, average monthly rates have been applied to the underlying transactions originally booked as NOK.

D. Estimation of return asset

Under NGAAP, the Company did not recognize return assets for the expected returns of tablets. Under IFRS, the Company has determined a return asset should be recognized (see Section 3.2). This resulted in the recognition of other current assets for USD 882 thousand, with a net increase in retained earnings of USD 690 thousand and a decrease of net deferred tax assets of USD 192 thousand at 1 January 2022.

During 2022, cost of goods sold has been reduced by USD 179 thousand with a corresponding increase in other current assets. This has also resulted in an increase of income tax expense by USD 70 thousand with a corresponding reduction of net deferred tax assets and an increase in retained earnings of USD 110 thousand for the same period.

E. Classification as cash equivalents

Under NGAAP, the Company has been presenting amounts held in payment service processors (PSPs) as other current assets. Under IFRS, the Company has established an accounting policy of recognizing these amounts as cash equivalents, to the extent that requirements mentioned in Section 6.3 are met. This has resulted in a reclassification in the statement of financial position of USD 3 829 thousand and USD 14 995 thousand at the date of 1 January 2022, and 31 December 2022, respectively.

This reclassification also explains the net increase in cash and cash equivalents in the statement of cash flows as a consequence of the transition to IFRS, and adjusted from changes in other receivables and payables.

F. Recognition of inventories based on control assessment

As explained in Section 6.1, the Company has recognized reMarkable-specific inventory held by its electronic manufacturing suppliers. Under NGAAP, the Company's accounting policies was to not account for these inventories until they were physically received from its electronic manufacturing suppliers.

This resulted in USD 11 295 thousand being recognized as an increase in inventories with a corresponding increase in other current liabilities at 1 January 2022. Subsequently, inventories and other current liabilities were reduced by USD 7 223 thousand at 31 December 2022. These increases in inventories also affected the change in inventories, and changes in trade payables in the statement of cash flows.

G. Capitalization of intangible assets in software as a service systems

As described in Section 4.2, the Company uses significant judgement when capitalizing costs under IFRS in relation to implementing software as a service systems. Based on the analysis of the costs incurred and other relevant factors under the IFRS guidance, the Company has expensed previously capitalized intangible assets for an amount of USD 2 795 thousand which resulted in corresponding increase in other operating expenses as well as decrease in income tax expense equal to USD 600 thousand with an increase in net deferred tax assets for the same amount as well as a decrease of USD 2 195 in retained earnings at 31 December 2022.

H. Classification of foreign exchange gains and losses

For all periods up to and including 31 December 2022, the Company classified foreign currency gains and losses as financial income and expenses, respectively. Under IFRS, it has been established an accounting policy of recognizing these amounts net as other financial gains/losses. This resulted in a reclassification of USD 7 587 thousand foreign currency gains and USD 9 449 thousand foreign currency losses (USD 1 862 thousand net loss) for the year ended on 31 December 2022.

I. Classification of selling and distribution costs

For all periods up to and including 31 December 2022, the Company recognized selling and distribution costs as cost of materials. Under IFRS, it has been concluded that other operating expenses is a more appropriate category for classification of these costs. This resulted in a reclassification of USD 30 021 thousand for the year ended on 31 December 2022.

J. Classification of provisions

For all periods up to and including 31 December 2022, the Company presented provisions as other current liabilities. Under IFRS, it has been concluded that provisions should be presented separately (see Section 6.5). This resulted in a reclassification of USD 717 thousand and USD 873 thousand on 1 January 2022 and 31 December 2022, respectively.

K. Classification of subscription revenue

The Company has been presenting subscription revenue as other income for all periods up to and including 31 December 2022. Under IFRS, it has been established that this revenue should be presented with revenue from contracts with customers (see Section 3.2). This resulted in a reclassification of USD 15 171 thousand from other income to revenue from contracts with customers.

L. Classification of group contributions

For all periods up to and including 31 December 2022, the Company recognized group contribution payable to owner as other current liabilities, with a corresponding deduction to equity in the same accounting period the contribution was proposed by the Board. Under IFRS, group contributions should be recognized when it is approved by the Annual General Meeting. This resulted in an increase in retained earnings and a decrease in other current liabilities, for an amount of USD 1 167

thousand and USD 115 thousand, at 1 January 2022 and 31 December 2022, respectively. See statement of changes in equity for further details.



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To the General Meeting of reMarkable AS

Independent Auditor's Report

Opinion

We have audited the financial statements of reMarkable AS (the Company), which comprise the statement of financial position as at 31 December 2023 and 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and 31 December 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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Drammen	Kristiansand	Straume	



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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 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 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'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 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.



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.

Oslo

KPMG AS

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

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Vintervoll, Karianne F

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To the General Meeting of reMarkable Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of reMarkable Holding AS, which comprise:

- the financial statements of the parent company reMarkable Holding AS (the Company), which comprise the balance sheet as at 31 December 2023 and 31 December 2022, the income statement and statement of cash flows for the years 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 consolidated statement of financial position as at 31 December 2023 and 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and 31 December 2022, and its financial performance and its cash flows for the years then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and 31 December 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

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Other Information

The Board of Directors (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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 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 and 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's and the 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.

Oslo,

KPMG AS

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

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Vintervoll, Karianne F

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To the General Meeting of reMarkable Invest AS

Independent Auditor's Report

Opinion

We have audited the financial statements of reMarkable Invest AS, which comprise:

- the financial statements of the parent company reMarkable Invest AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows 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 Invest AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023 and 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and 31 December 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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 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 and 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's and the 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.

Oslo,

KPMG AS

Karianne Fønstelien Vintervoll
State Authorised Public Accountant
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Vintervoll, Karianne F

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reMarkable Invest AS, 27 September 2024

Base Prospectus

Annex 2 Template for Final Terms for fixed and floating rate Bonds

reMarkable Invest AS, 27 September 2024

Base Prospectus

[Annex 2]



Final Terms

for

[Title of the bond issue]

Oslo, [Date]

reMarkable Invest AS, 27 September 2024

Base Prospectus

Terms used herein shall be deemed to be defined as such for the purpose of the conditions set forth in the Base Prospectus clauses 2 Definitions and 13.3 Definitions, these Final Terms and the attached Bond Terms [and the attached Guarantee agreement].

[In case MiFID II identified target market are professional investors and eligible counterparties, insert the following:]

[MIFID II product governance / Professional investors and eligible counterparties (ECPs) only target market] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended) (**MiFID II**); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and eligible counterparties only (ECPs) target market] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS] – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the **PRIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[In case MiFID II identified target market are retail investors, professional investors and eligible counterparties, insert the following:]

[MIFID II product governance / Retail investors, professional investors and eligible counterparties (ECPs) target market] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended) (**MiFID II**); *EITHER* [and (ii) all channels for distribution of the Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] *OR* [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate – investment advice[,/and] portfolio management[,/and][non-advised sales][and pure

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Base Prospectus

execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

[UK MiFIR product governance / Retail investors, professional investors and eligible counterparties target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail clients, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); EITHER [and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate – investment advice[, and] portfolio management[, and] [non-advised sales] [and pure execution services][, subject to the distributor's (as defined below) suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]

This document constitutes the Final Terms of the Bonds described herein pursuant to the Regulation (EU) 2017/1129 and must be read in conjunction with the Base Prospectus dated 27 September 2024 [and the supplement[s] to the Base Prospectus dated [date]].

The Base Prospectus dated 27 September 2024 [and the supplement[s] to the Base Prospectus dated [date]] [together] constitute[s] a base prospectus for the purposes of the Regulation (EU) 2017/1129 ([together,] the "Base Prospectus").

Final Terms include a summary of each Bond Issue.

These Final Terms and the Base Prospectus [and the supplement[s] to the Base Prospectus] are available on the Issuer's website <https://remarkable.com>, or on the Issuer's visit address, Biermanns gate 6, N-0473 Oslo, Norway, or their successor (s).

reMarkable Invest AS, 27 September 2024

Base Prospectus

1 Summary

The below summary has been prepared in accordance with the disclosure requirements in Article 7 in the Regulation (EU) 2017/1129 as of 14 June 2017.

Introduction and warning

<i>Disclosure requirement</i>	<i>Disclosure</i>
Warning	This summary should be read as introduction to the Base Prospectus. Any decision to invest in the securities should be based on consideration of the Base Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
Name and international securities identification number ('ISIN') of the securities.	[•]
Identity and contact details of the issuer, including its legal entity identifier ('LEI').	Issuer: reMarkable Invest AS, Fridtjof Nansens vei 12, N-0369 Oslo, Norway Telephone +47 413 17 339 Registration number 828 148 702 in the Norwegian Companies Registry LEI-code (legal entity identifier): 2549001W1B2SPJA6J637. Guarantors: reMarkable Holding AS, Fridtjof Nansens vei 12, N-0369 Oslo, Norway Telephone +47 413 17 339 Registration number 921 496 346 in the Norwegian Companies Registry LEI-code (legal entity identifier): +47 413 17 339 . reMarkable AS, Fridtjof Nansens vei 12, N-0369 Oslo, Norway Telephone +47 919 27 470 Registration number 917 352 836 in the Norwegian Companies Registry LEI-code (legal entity identifier): 2549001OY5UGFSY87A43. [/ Other: (specify)]
Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market.	There is no offeror, the Base Prospectus has been produced in connection with listing of the securities on an Exchange. The Issuer is going to ask for admission to trading on a regulated market.
Identity and contact details of the competent authority that approved the prospectus	Financial Supervisory Authority of Norway (Finanstilsynet), Revierstrødet 3, 0151 Oslo. Telephone number is +47 22 93 98 00. E-mail: prospekter@finansstilsynet.no .
Date of approval of the prospectus.	The Base Prospectus was approved on 27 September 2024

Key information on the Issuer

<i>Disclosure requirements</i>	<i>Disclosure</i>
Who is the issuer of the securities	reMarkable Invest AS

reMarkable Invest AS, 27 September 2024

Base Prospectus

Domicile and legal form	The Company is a private limited liability company incorporated in Norway and organized under the laws of Norway, including the Private Limited Liability Companies Act																																						
Principal activities	reMarkable develops, markets and sells consumer electronics products termed “paper tablets” and associated accessories.																																						
Major shareholders	reMarkable Invest AS is owned by reMarkable Holding AS (98 %) and reMarkable Employee Share Holding I AS (2 %).																																						
	reMarkable Holding AS is owned by founder and close associates (43 %), other shareholders (incl. Spark Capital) (45 %) and current employees (excl. founder) (12 %).																																						
	reMarkable AS is wholly owned by reMarkable Invest AS.																																						
	There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.																																						
Management																																							
The management of reMarkable AS can be seen below:																																							
<table><tr><th>Name</th><th>Position</th></tr><tr><td>Philip Steven Hess</td><td>Chief Executive Officer</td></tr><tr><td>Eivind Breiby</td><td>Chief Operating Officer</td></tr><tr><td>Mikkel Ektvedt</td><td>Chief Financial Officer</td></tr><tr><td>Mats H. Solberg</td><td>Chief Design Officer</td></tr><tr><td>Nico Cormier</td><td>Chief Technology Officer</td></tr><tr><td>Kristine Austgulen</td><td>Chief Commercial Officer</td></tr><tr><td>Haakon Knoph</td><td>Chief Organisational Officer</td></tr><tr><td>Kristin Rolstad Jahren</td><td>Chief Strategy Officer</td></tr><tr><td>Magnus Heimsjø</td><td>Chief Marketing Officer</td></tr><tr><td>Per Thomas Indrelid</td><td>Chief Information Officer</td></tr><tr><td>Magnus Gran-Jansen</td><td>VP Product</td></tr><tr><td>Laila Myksvoll</td><td>General counsel</td></tr></table>					Name	Position	Philip Steven Hess	Chief Executive Officer	Eivind Breiby	Chief Operating Officer	Mikkel Ektvedt	Chief Financial Officer	Mats H. Solberg	Chief Design Officer	Nico Cormier	Chief Technology Officer	Kristine Austgulen	Chief Commercial Officer	Haakon Knoph	Chief Organisational Officer	Kristin Rolstad Jahren	Chief Strategy Officer	Magnus Heimsjø	Chief Marketing Officer	Per Thomas Indrelid	Chief Information Officer	Magnus Gran-Jansen	VP Product	Laila Myksvoll	General counsel									
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Laila Myksvoll	General counsel																																						
Statutory auditors	KPMG AS																																						
What is the key financial information regarding the issuer and guarantor																																							
Key financial information																																							
reMarkable Invest AS(Consolidated)																																							
<table><tr><th>Amounts in USDm</th><th></th><th></th><th colspan="2">Financial statements</th></tr><tr><th></th><th>H1-24</th><th>H1-23</th><th>2023</th><th>2022</th></tr><tr><td>Operating profit/(loss)</td><td>3.6</td><td>11.2</td><td>28.6</td><td>-3.2</td></tr><tr><td>Net financial debt (long term debt plus short term debt minus cash)</td><td>8.4</td><td>-13.7</td><td>-44.2</td><td>-36.7</td></tr><tr><td>Net Cash flows from operating activities</td><td>-5.0</td><td>-11.0</td><td>39.2</td><td>15.1</td></tr><tr><td>Net Cash flows from investing activities</td><td>-16.9</td><td>-11.2</td><td>-25.3</td><td>-23.6</td></tr><tr><td>Net Cash flows from financing activities</td><td>-5.2</td><td>7.5</td><td>27.0</td><td>-11.0</td></tr></table>					Amounts in USDm			Financial statements			H1-24	H1-23	2023	2022	Operating profit/(loss)	3.6	11.2	28.6	-3.2	Net financial debt (long term debt plus short term debt minus cash)	8.4	-13.7	-44.2	-36.7	Net Cash flows from operating activities	-5.0	-11.0	39.2	15.1	Net Cash flows from investing activities	-16.9	-11.2	-25.3	-23.6	Net Cash flows from financing activities	-5.2	7.5	27.0	-11.0
Amounts in USDm			Financial statements																																				
	H1-24	H1-23	2023	2022																																			
Operating profit/(loss)	3.6	11.2	28.6	-3.2																																			
Net financial debt (long term debt plus short term debt minus cash)	8.4	-13.7	-44.2	-36.7																																			
Net Cash flows from operating activities	-5.0	-11.0	39.2	15.1																																			
Net Cash flows from investing activities	-16.9	-11.2	-25.3	-23.6																																			
Net Cash flows from financing activities	-5.2	7.5	27.0	-11.0																																			

reMarkable Invest AS, 27 September 2024

Base Prospectus

reMarkable AS

Amounts in NOKm	Financial statements	
	2023	2022
Operating profit/(loss)	28.7	-3.1
Net financial debt (long term debt plus short term debt minus cash)	-44.7	-37.7
Net Cash flows from operating activities	35.2	15.1
Net Cash flows from investing activities	-25.3	-23.6
Net Cash flows from financing activities	30.6	-11.0

reMarkable Holding AS (Consolidated)

Amounts in NOKm	Key financial information from the consolidated financial statements	
	2023	2022
Operating profit/(loss)	28.6	-3.4
Net financial debt (long term debt plus short term debt minus cash)	-46.5	-39.2
Net Cash flows from operating activities	39.0	14.7
Net Cash flows from investing activities	-25.3	-23.6
Net Cash flows from financing activities	27.0	-12.1
Net Cash flow from investing activities	-25,293	-23,646

There is no description of any qualifications in the audit report for the Annual Report 2023.

What are the key risk factors that are specific to the issuer

Risks related to the issuer's and/or the group's business activities and industry

- The Group is exposed to risks related to market reception and changes in customer preferences.
- Future growth of the Group's business and revenue is dependent on access to, and sales through, external sales channels.
- The Group's promotion of its products is dependent on social media platforms and the Group is vulnerable to changes.
- The Group is exposed to risks relating to protection and preservation of intellectual property.
- The Group is subject to risks relating to intellectual property infringements and litigation.
- The Group is dependent on its relationship with suppliers and provision of key elements.

Risks related to third parties and regulatory issues

- The Group is exposed to risks related to cyber security and cyberattacks.
- The Group's failure to comply with data privacy laws could expose the Group to litigation risks and potential fines and impairment of the Group's reputation.
- The Group is subject to risks relating to potential liability under the historic share incentive program for employees.

Financial risks

- The Group is dependent on cash flow and revenue from sales volumes to finance and expand its operations.

reMarkable Invest AS, 27 September 2024

Base Prospectus

	• Currency fluctuations could affect the Group's cash flow and financial condition.

Key information on the securities

Disclosure requirements	Disclosure
<i>What are the main features of the securities</i>	
Description of the securities, including ISIN code.	[●]
Currency for the bond issue	[●]
Borrowing Limit and Borrowing Amount [● tranche]	[●]
Denomination – Each Bond	[●]
Any restrictions on the free transferability of the securities.	[●]
Description of the rights attached to the securities, limitations to those rights and ranking of the securities.	[●]
Information about Issue and Maturity Date, interest rate, instalment and representative of the bondholders	[●]
Status of the bonds and security	[●]
<i>Where will the securities be traded</i>	
Indication as to whether the securities offered are or will be the object of an application for admission to trading.	[●]
<i>What are the key risks that are specific to the securities</i>	
Most material key risks	Risks related to the bonds • The value of security, and the potential recovery through enforcement, may be insufficient to repay the Bonds. • The Issuer may incur financing and hedging obligations that will rank super senior to the bonds. • The value of the collateral securing the Bonds may not be sufficient to satisfy the Issuer's obligations under the Bonds

Key information on the admission to trading on a regulated marked

Disclosure requirements	Disclosure
Under which conditions and timetable can I invest in this security?	[●] The estimate of total expenses related to the admission to trading, please see clause 13.4.5 in the Base Prospectus. [/ Other: (specify)] Listing fee Oslo Børs [●] Registration fee Oslo Børs [●]
<i>Why is the prospectus being produced</i>	In connection with listing of the securities on the Oslo Børs.
Reasons for the admission to trading on a regulated marked and use of.	Use of proceeds [●] Estimated net amount of the proceeds [●]
Description of material conflicts of interest to the issue including conflicting interests.	[●]

reMarkable Invest AS, 27 September 2024

Base Prospectus

2 Detailed information about the security

Generally:

ISIN code:	[ISIN]		
The Loan/The Bonds:	[Title of the bond issue]		
Borrower/Issuer:	reMarkable Invest AS registered in the Norwegian Companies Registry with registration number 828 148 702. The Company's LEI code is 2549001W1B2SPJA6J637.		
Group:	[As defined in the Base Prospectus section 2 <i>/ Other: (specify)</i>]		
Guarantors:	[As defined in the Base Prospectus section 2 <i>/ Other: (specify)</i>]		
Security Type:	[Un]secured [open] bond issue with [fixed/floating] rate		
Borrowing Limit – Tap Issue:	[Currency]	[Amount borrowing limit]	
Borrowing Amount [●] tranche:	[Currency]	[Amount [●] tranche]	
Denomination – Each bond:	[Currency]	[Amount denomination]	- each and ranking pari passu among themselves
Securities Form:	As set out in the Base Prospectus clause 13.1.		
Publication:	As specified in the Base Prospectus section 13.4.2.		
Issue Price:	[As defined in the Base Prospectus section 13.3 [Issue price] %]		
Disbursement Date/Issue Date:	[As defined in the Base Prospectus section 13.3 [Issue date]		
Maturity Date:	[As defined in the Base Prospectus section 13.3 [Maturity Date]		
Guarantee:	As defined in the Base Prospectus section 13.3.		

This guarantee agreement establishes a *selvskyldnergaranti* (self-liability guarantee), where each guarantor irrevocably and unconditionally assumes joint and several liability to ensure that the members of the group and debtors fulfill their obligations to the secured parties under the debt documents.

The guarantors commit to:

- Guarantee the punctual performance of all secured obligations.
- Pay any outstanding amounts immediately upon demand if any group member or debtor fails to do so.

reMarkable Invest AS, 27 September 2024

Base Prospectus

- Indemnify the secured parties for any losses if any guaranteed obligations become unenforceable, invalid, or illegal.

The guarantee is limited to NOK 1.6 billion plus interest and costs.

[The Guarantee Agreement is attached to this Final Terms.]

Interest Rate:

Interest Bearing from and Including: [Issue date

/ Other: (specify)]

Interest Bearing To:

[As defined in the Base Prospectus section 13.3

[Maturity Date]

/ Other: (specify)]

Reference Rate:

[As defined in the Base Prospectus section 13.3

Floating rate: [NIBOR] [3 / 6 / 12] months

[description of Reference Rate]

Relevant Screen Page: [Relevant Screen Page]

Specified time: [specified time]

Information about the past and future performance and volatility of the Reference Rate is available at [Relevant Screen Page / other: (specify)]

Fallback provisions: [Provisions]

/ Other: (specify)]

/ Fixed Rate: N/A]

Margin:

[As defined in the Base Prospectus section 13.3

Floating Rate: [Margin] % p.a.

/ Fixed Interest: N/A

/ Other: (specify)]

Interest Rate:

[Bond issue with floating rate (as defined in the Base Prospectus section 13.3): [Reference Rate + Margin] % p.a.

Current Interest Rate: [current interest rate]

/ Bond Issue with fixed rate (as defined in the Base Prospectus section 13.3): [Interest rate] % p.a.]

Day Count Convention:

[Floating Rate: As defined in the Base Prospectus section 13.3

/ Fixed Rate: As defined in the Base Prospectus section 13.3

Day Count Fraction – Secondary Market:

[Floating Rate: As specified in the Base Prospectus section 13.5.1.a

/ Fixed Rate: As specified in the Base Prospectus section 13.5.2.a

Interest Determination Date:

[Floating Rate: As defined in the Base Prospectus section 13.3.

reMarkable Invest AS, 27 September 2024

Base Prospectus

	Interest Rate Determination Date: [Interest Rate Determination Date(s)] each year. / Fixed rate: N/A / Other: (specify)]
Interest Rate Adjustment Date:	[Floating Rate: As defined in the Base Prospectus section 13.3. / Fixed rate: N/A]
Interest Payment Date:	As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.5.1 (FRN) / section 13.5.2 (fixed rate) Interest Payment Date: [Date(s)] each year. The first Interest Payment Date is [Date].
#Days first term:	[Number of interest days] days
Yield:	As defined in the Base Prospectus section 13.3. The Yield is [yield]
Business Day:	As defined in the Base Prospectus section 13.3. / Other: (specify)]
Amortisation and Redemption:	
Redemption:	As defined in the Base Prospectus section 13.3 and as specified in the Base Prospectus section 13.4.3, 13.5.1.b and 13.5.2.b. The Maturity Date is [maturity date]
Call Option:	As defined in the Base Prospectus section 13.3. [terms of the call option] Call Date(s): [call date(s)] Call Price(s): [call price(s)] Call Notice Period: [call notice period]
Put Option:	As defined in the Base Prospectus section 13.3. [terms of the put option]
Early redemption option due to a tax event:	As defined in the Base Prospectus section 13.3. [terms of the early redemption option]
Early redemption option due to an Equity Listing Event:	As defined in the Base Prospectus section 13.3. [terms of the early redemption option]
Obligations:	
Issuer's special obligations during the term of the Bond Issue:	As specified in the Base Prospectus section 13.4.7. / Other: (specify)]
Listing:	
Listing of the Bond Issue/Marketplace:	As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.5.

reMarkable Invest AS, 27 September 2024

Base Prospectus

Exchange for listing of the Bonds: *[Exchange]*

/ The Bonds will not be applied for listing on any Exchange.

/ Other: *(specify)*

Miscellaneous:

Any restrictions on the free transferability of the securities:

As specified in the Base prospectus section 13.4.10.

Restrictions on the free transferability of the securities: *[specify]*

Purpose/Use of proceeds:

As specified in the Base Prospectus section 13.4.1.

Estimated total expenses related to the offer: *[specify]*

External party	Cost
The Norwegian FSA	NOK [•]
The stock exchange	NOK [•]
The Bond Trustee	NOK [•] (annual fee)
The Joint Lead Managers	NOK [•]

Estimated net amount of the proceeds: *[specify]*

Use of proceeds: *[specify]*

[Other: (specify)]

Prospectus and Listing fees:

As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.5.

Listing fees: *[specify]*

/ Other: *(specify)*

Market-making:

As defined in the Base Prospectus section 13.3.

[A market-making agreement has been entered into between the Issuer and [name and address of market maker]]

/ Other: *(specify)*

Approvals:

As specified in the Base Prospectus section 13.4.9.

Date of the Board of Directors' approval: *[date]*

/ Other: *(specify)*

Bond Terms:

As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.7.

By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

/ Other: *(specify)*

Status and security:

As specified in the Base Prospectus section 13.4.6.

/ Other: *(specify)*

Rating:

[Credit ratings assigned to the securities, and a brief explanation of the meaning of the ratings]

/ No rating: N/A]

reMarkable Invest AS, 27 September 2024

Base Prospectus

Bondholders' meeting/ Voting rights:	As defined in the Base Prospectus section 13.3. <i>/ Other: (specify)</i>
Availability of the Documentation:	https://remarkable.com
Joint Lead Managers:	<i>[name of Joint Lead Managers]</i> <i>[LEI for Joint Lead Managers]</i> <i>[Contact details for Lead Managers]</i>
Bond Trustee:	As defined in the Base prospectus section 13.3.
Paying Agent:	As defined in the Base prospectus section 13.3. The Paying Agent is <i>[name of the Paying Agent]</i>
Securities Depository / CSD:	As defined in the Base Prospectus section 13.3 and specified in the Base Prospectus section 13.4.5 <i>/ Other: (specify)</i>
Calculation Agent:	<i>[As defined in the Base Prospectus section 13.3]</i> <i>/ Other: (specify)</i>
Listing fees:	Prospectus fee for the Base Prospectus including template for Final Terms is NOK 134,000. <i>[Listing and other fees at the Exchange: (specify)]</i> <i>/ No listing: N/A]</i>

reMarkable Invest AS, 27 September 2024

Base Prospectus

3 Additional information

Advisor

The Issuer has mandated *[name of Joint Lead Managers]* as Joint Lead Managers for the issuance of the Loan. The Joint Lead Managers have acted as advisor[s] to the Issuer in relation to the pricing of the Loan.

The Joint Lead Managers will be able to hold position in the Loan.

/ Other: (specify)

Interests and conflicts of interest

[The involved persons in the Issuer or offer of the Bonds have no interest, nor conflicting interests that are material to the Bond Issue.

/ Other: (specify)

Rating

[The Bonds are rated as follows:

Standard & Poor's: [•]

Moody's: [•]

Nordic Credit Rating: [•]

The Issuer is rated as follows:

Standard & Poor's: [•]

Moody's: [•]

Nordic Credit Rating: [•]

/ Other: (specify)

Listing of the Loan:

[As defined in the Base Prospectus section 13.3]

The Prospectus will be published in *[country]*. An application for listing at *[Exchange]* will be sent as soon as possible after the Issue Date. Each bond is negotiable.

Statement from the Joint Lead Managers:

[name of Joint Lead managers] have assisted the Issuer in preparing the prospectus. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim[s] any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

[place], [date]

[name of Joint Lead Managers]
[web address of Joint Lead Managers]

reMarkable Invest AS, 27 September 2024

Base Prospectus

4. Attachment 1: Guarantee agreement

GUARANTEE AGREEMENT

dated 1 December 2023

between

REMARKABLE INVEST AS

as Company

THE ENTITIES

listed in Schedule 1 (*The Original Guarantors*)

as Original Guarantors

and

NORDIC TRUSTEE AS

as Security Agent

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THIS AGREEMENT (the "**Agreement**") is dated 1 December 2023 and made between:

- (1) **REMARKABLE INVEST AS**, a company incorporated under the laws of Norway with company registration number 828 148 702 (the "**Company**");
- (2) **THE ENTITIES** listed in Schedule 1 (*The Original Guarantors*) as original guarantors (the "**Original Guarantors**"); and
- (3) **NORDIC TRUSTEE AS** as security agent for the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1 DEFINITIONS, INTERPRETATION AND MISCELLANEOUS

1.1 Definitions

In this Agreement capitalised terms shall (unless otherwise set out herein or required by the context) have the meaning ascribed to them in the Intercreditor Agreement (as defined below), and:

"Bond Terms" means the bond terms dated 11 October 2023 governing the bond issue with ISIN NO0013030205, entered into between the Company and the Security Agent.

"Accession Letter" means a letter substantially in the form set out in Schedule 2 (*Form of Accession Letter*).

"Additional Guarantor" means a member of the Group which becomes a Guarantor in accordance with Clause 9.1 (*Additional Guarantors*).

"Companies Act" means the Norwegian Companies Act of 13 June 1997 no. 44.

"Guarantor" means an Original Guarantor or an Additional Guarantor.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date hereof entered into between, among others, the Original Guarantors and the Security Agent (as amended, restated, supplemented or otherwise modified from time to time).

"Resignation Letter" means a letter substantially in the form set out in **Schedule 3** (*Form of Resignation Letter*).

"Secured Obligations" means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any Debtor or other member of the Group to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"Security Period" means the period from and including the date of this Agreement to and including the Final Discharge Date.

1.2 Construction

Clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to this Agreement as if set out in full herein (with any logical adjustments).

1.3 Miscellaneous

The Guarantors have been informed of the other security and guarantees granted in connection with the Debt Documents.

2 GUARANTEE AND INDEMNITY

2.1 Type of guarantee

The guarantee created by this Agreement constitutes a *selvskyldnergaranti*.

2.2 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Secured Party the punctual performance of all the Secured Obligations by any member of the Group and by each Debtor to any Secured Party under the Debt Documents;
- (b) undertakes with each Secured Party that whenever any member of the Group or any Debtor does not pay to any Secured Party any amount when due under or in connection with any Debt Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of any member of the Group or any Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it to any Secured Party under any Debt Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Agreement if the amount claimed had been recoverable on the basis of a guarantee.

2.3 Limitations

- (a) The liability of each Guarantor under this Agreement shall be limited to NOK 1,600,000,000 (or its equivalent in other currencies) plus the amount of any interest, commission, default interest, fees, costs and expenses accrued in respect of the Secured Obligations.
- (b) Notwithstanding any other provision in this Agreement, the guarantee created by this Agreement:
 - (i) with respect to any Guarantor incorporated in Norway, does not apply to any obligation or liability to the extent it would result in such guarantee constituting unlawful financial assistance within the meaning of Sections 8-7 or 8-10 of the Companies Act. For the avoidance of doubt, such guarantee shall apply to any liability or obligation to the fullest extent permitted by those provisions of the Companies Act; and

- (ii) with respect to any Guarantor incorporated in any other jurisdiction, is subject to any limitations set out in the Accession Letter applicable to such Additional Guarantor.

3 REPRESENTATIONS AND WARRANTIES

3.1 Original Guarantors

Each Original Guarantor makes the following representations and warranties on the date of this Agreement:

- (a) the representations set out in clause 7 (*Representations and warranties*) of the Bond Terms shall be deemed to be made by each Original Guarantor in respect of itself; and
- (b) subject to matters which are usually set out as qualifications or reservations as to matters of law of general application in legal opinions, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

3.2 Additional Guarantors

The representations and warranties set out in this Clause 3 are deemed to be made by each Additional Guarantor on the date on which it becomes an Additional Guarantor.

4 UNDERTAKINGS

No Guarantor shall do, cause or permit to be done anything which will, or could reasonably be expected to, have a material adverse effect on the rights of the Secured Parties under this Agreement.

5 PAYMENTS AND DEMANDS

5.1 Payment on demand

- (a) Each Guarantor irrevocably and unconditionally undertakes with each Secured Party to pay any amount payable by it under this Agreement immediately on demand by the Security Agent.
- (b) Each such payment shall be made by such Guarantor to such account as the Security Agent may, on behalf of the relevant Secured Party, from time to time notify in writing.

5.2 Tax gross-up

- (a) Each Guarantor shall make all payments under this Agreement without any deduction or withholding for or on account of tax, unless such deduction or withholding is required by law.
- (b) If a Guarantor is required by law to make any such deduction or withholding:
 - (i) the amount of the payment due from it shall be increased to an amount which (after making any such deduction or withholding) leaves an amount equal to the

payment which would have been due if no such deduction or withholding had been required; and

- (ii) at the request of the Security Agent, deliver to the Security Agent evidence that the required deduction or withholding has been made.

5.3 Set-off and counterclaims

- (a) No Guarantor may apply or perform any counterclaims or set-off against any payment obligations pursuant to this Agreement.
- (b) A Secured Party may set off any matured obligation due from a Guarantor under this Agreement (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to that Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

5.4 Default interests

- (a) If a Guarantor fails to pay any amount under this Agreement on its due date, default interest shall accrue on such overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is equal to the sum of (i) the rate of interest which at the time applies to the Secured Obligations in respect of which the relevant demand under this Agreement was made (which, for the avoidance doubt, shall not include the rate of any default interest which applies to those Secured Obligations) and (ii) 3.00 per cent. per annum.
- (b) Any default interest accruing under this Clause 5.4 shall be immediately payable by such Guarantor on demand.

5.5 Application of proceeds

Any amount received or recovered from a Guarantor under or in respect of this Agreement shall be applied in accordance with the provisions of the Intercreditor Agreement.

5.6 Further assurance and power of attorney

- (a) Each Guarantor shall promptly do all such acts and execute all such documents (including, without limitation, any transfer documents, notices or instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) to facilitate the realisation and/or enforcement of the guarantee and indemnity created by this Agreement following the occurrence of an Acceleration Event and otherwise in accordance with the terms of this Agreement.
- (b) Each Guarantor irrevocably appoints the Security Agent as its attorney in fact, with full power of substitution, to do any act which any Guarantor is obliged to do, but has failed to do for a period of 5 Business Days, under or in connection with this Agreement (including, without limitation, to sign any transfer documents, notices or instructions on such Guarantor's behalf).

6 DEFERRAL OF GUARANTORS' RIGHTS

- (a) During the Security Period, no Guarantor shall, without the prior written consent of the Security Agent, exercise any rights which it may have by reason of performance by it of any of its obligations under this Agreement or any of the other Debt Documents:
 - (i) to be indemnified by any other Debtor;
 - (ii) to claim any contribution from any other security provider and/or guarantor of any of the Secured Obligations;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Debt Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of the Secured Obligations;
 - (v) to exercise any right of set-off against any other Debtor; and/or
 - (vi) to claim or prove as a creditor of any Debtor in competition with any Secured Party.
- (b) If a Guarantor receives any payment or distribution in relation to the rights described in paragraph (a) above, it shall, to the extent necessary to enable all of the Secured Obligations to be repaid in full, hold that payment or distribution separated from its other assets and promptly pay or transfer the same to the Security Agent for application in accordance with the terms of this Agreement.
- (c) This Clause 6 shall be supplemental and without prejudice to, and shall not limit, the provisions set out in the Intercreditor Agreement.

7 LIMITATION ON LIABILITY

- (a) Neither the Security Agent nor any other Secured Party shall be liable for any loss, liability or expense arising from or in connection with:
 - (i) any of them exercising any of its rights or powers under or in connection with this Agreement;
 - (ii) any act, default, omission or misconduct on the part of any delegate or representative on behalf of any of them; or
 - (iii) the timing of the exercise of any of their (or any of its delegates or representatives) powers or rights under or in connection with this Agreement,except, in case of paragraphs (a)(ii) and (iii) above, in the case of gross negligence or wilful misconduct.
- (b) In no case shall the Security Agent or any Secured Party be liable or held responsible for any indirect damage, consequential loss or loss of profit.

8 CONTINUING GUARANTEE AND OTHER MATTERS

8.1 Continuing guarantee

The guarantee created under this Agreement is a continuing guarantee and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

8.2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Agreement will continue or be reinstated as if the discharge, release or arrangement had not occurred.

8.3 Waiver of defences and confirmations

- (a) The obligations of each Guarantor under this Agreement will not be affected by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under this Agreement (without limitation and whether or not known to it or any Secured Party) including:
 - (i) any time, waiver or consent granted to, or composition with, any Debtor or other person;
 - (ii) the resignation or release of any Guarantor, or the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;
 - (v) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Debt Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in or the addition of any new facility or other financing under any Debt Document or other document or security;
 - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security; or
 - (vii) any insolvency or similar proceedings.

- (b) Each Guarantor irrevocably waives any right that it would otherwise have to be notified of:
 - (i) any security the giving of which was a precondition for the making of any utilisation under any of the Debt Documents, but which has not been validly granted or has lapsed;
 - (ii) any default, event of default or acceleration event (however described) under any of the Debt Documents and to be kept informed thereof;
 - (iii) any deferral, postponement or other forms of extensions granted to a Debtor or any other member of the Group in respect of any repayments, prepayments or payment to be made under any of the Debt Documents; and
 - (iv) a Debtor's or any other person's bankruptcy proceedings or debt reorganisation proceedings and/or any application for the latter.
- (c) Each Guarantor hereby irrevocably waives all its rights under the provisions and principles expressed in the Norwegian Financial Agreements Act of 18 December 2020 no. 146, including (without limitation) the rights set out in Sections 6-1 through 6-14 of that act.

8.4 Guarantor intent

Without prejudice to the generality of Clause 8.3 (*Waiver of defences and confirmations*), each Guarantor expressly confirms that it intends that the guarantee created under this Agreement shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Debt Documents and/or any facility, other financing or amount made available under any of the Debt Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; incurring new secured and guaranteed debt in accordance with the terms of the Debt Documents; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities or other financing; refinancing any other indebtedness; making facilities or other financing available to new borrowers; any other variation or extension of the purposes for which any such facility, financing or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

8.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring the Security Agent or any Secured Party (or any trustee or agent on its behalf), to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Agreement. This waiver applies irrespective of any law or any provision of a Debt Document to the contrary.

8.6 Additional security

The guarantee created under this Agreement shall be in addition to, and not prejudice or affect, any other security or guarantee granted in respect of the Secured Obligations.

8.7 Appropriations

During the Security Period, the Security Agent and each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by or on behalf of that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Agreement.

9 CHANGES TO THE GUARANTORS

9.1 Additional Guarantors

- (a) Subject to the terms of the Intercreditor Agreement and the other Debt Documents, the Company may request that any member of the Group becomes an Additional Guarantor.
- (b) With effect from the date the Security Agent confirms to the Company that the Security Agent has received (in form and substance satisfactory to it) (i) an Accession Letter duly completed and executed by such member of the Group and the Company and (ii) such other documents and evidence as the Security Agent may reasonably request in connection therewith, that member of the Group shall become an Additional Guarantor.

9.2 Resignation of a Guarantor

- (a) Subject to the terms of the Intercreditor Agreement and the other Debt Documents, the Company may request that a Guarantor (other than the Original Guarantors) ceases to be a Guarantor by delivering to the Security Agent a Resignation Letter duly completed and executed by such Guarantor and the Company.
- (b) The Security Agent shall accept a Resignation Letter and notify the Company of its acceptance if:
 - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case);
 - (ii) no payment is due from the Guarantor under this Agreement or (in its capacity as any type of Debtor) under any other Debt Document (and the Company has confirmed this is the case); and
 - (iii) the Security Agent has received (in form and substance satisfactory to it) such other documents and evidence as the Security Agent may reasonably request in connection therewith.

10 MISCELLANEOUS

10.1 Notices

The provisions of clause 23 (*Notices*) of the Intercreditor Agreement shall apply to this Agreement as if set out in full herein (with any logical adjustments). Any contact details of any party not set out in or provided pursuant to the Intercreditor Agreement shall be those set out on the signature page(s) of this Agreement or any Accession Letter executed by that party (or any substitute contact details provided in writing by that party to the Security Agent).

10.2 Assignment and transfer

- (a) No Guarantor may assign or transfer any of its rights or obligations under this Agreement.
- (b) The Security Agent may assign and/or transfer any of its rights or obligations under this Agreement to any person without the consent of any Guarantor. Each Guarantor shall, immediately upon request by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

10.3 Partial invalidity

If any provision of this Agreement is for any reason held invalid, illegal or unenforceable in any respect, such illegality, invalidity or unenforceability will not affect any other provision of this Agreement.

10.4 Remedies and waivers

No failure or delay by the Security Agent in exercising any right, power or remedy vested in it under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.5 Rights of the Security Agent

Without prejudice to or limiting any right the Security Agent may have under the Intercreditor Agreement or any other Debt Document, the Security Agent shall act as agent for the Secured Parties in all matters arising out of or in connection with this Agreement and shall, among others, be entitled to make, pursue and enforce any rights and claims arising under or in respect of this Agreement on behalf of the Secured Parties.

10.6 Conflict

In case of conflict between any term of this Agreement and any term of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

11 GOVERNING LAW

This Agreement is governed by Norwegian law.

12 ENFORCEMENT

12.1 Jurisdiction

- (a) The courts of Norway, with Oslo district court (*Oslo tingrett*) as court of first instance, have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement.
- (b) This Clause 12.1 is for the benefit of the Secured Parties only. No Secured Party shall be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

12.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Guarantor:

- (a) irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the Norwegian courts in connection with this Agreement; and
- (b) agrees that failure by a process agent to notify the relevant Debtor of the process will not invalidate the proceedings concerned.

SCHEDULE 1
THE ORIGINAL GUARANTORS

Name of Original Guarantor	Company registration number (or equivalent, if any) and jurisdiction
reMarkable Holding AS	921 496 346, Norway
reMarkable AS	917 352 836, Norway
reMarkable Invest AS	828 148 702, Norway

Title:

SCHEDULE 3
FORM OF RESIGNATION LETTER

To: Nordic Trustee AS as the Security Agent (on behalf of the Secured Parties)

From: *[Name of resigning Guarantor]* and *reMarkable Invest AS*

Dated:

Guarantee Agreement dated 1 December 2023 (the "Agreement")

- (a) We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
- (b) Pursuant to Clause 9.2 (*Resignation of a Guarantor*) of the Agreement, we request that *[Name of resigning Guarantor]* be released from its obligations as a Guarantor under the Agreement.
- (c) We confirm that:
 - (i) no Default is continuing or would result from the acceptance of this request; and
 - (ii) no payment is due from *[Name of resigning Guarantor]* under the Agreement or (in its capacity as any type of Debtor) under any other Debt Document.
- (d) The provisions of Clause 11 (*Governing law*) and Clause 12 (*Enforcement*) of the Agreement shall be incorporated into this Resignation Letter as if set out in full herein (with any logical amendments).

[Name of resigning Guarantor]

reMarkable Invest AS

By:
Name:
Title:

By:
Name:
Title:

SIGNATURES

THE COMPANY

reMarkable Invest AS

By: 
Name: LAILA MYKSvoll
Title: ATTORNEY - IN - FACT

Address:
E-mail:
Attention:

THE ORIGINAL GUARANTORS

reMarkable Invest AS

By: 
Name: LAILA MYKSvoll
Title: ATTORNEY - IN - FACT

Address:
E-mail:
Attention:

reMarkable Holding AS

By: 
Name: LAILA MYKSvoll
Title: ATTORNEY - IN - FACT

Address:
E-mail:
Attention:

reMarkable AS

By: 
Name: LAILA MYKSvoll
Title: ATTORNEY - IN - FACT

Address:
E-mail:
Attention:

THE SECURITY AGENT

Nordic Trustee AS

By:
Name:
Title:

SIGNATURES

THE COMPANY

reMarkable Invest AS

By:
Name:
Title:

Address:
E-mail:
Attention:

THE ORIGINAL GUARANTORS

reMarkable Invest AS

By:
Name:
Title:

Address:
E-mail:
Attention:

reMarkable Holding AS

By:
Name:
Title:

Address:
E-mail:
Attention:

reMarkable AS

By:
Name:
Title:

Address:
E-mail:
Attention:

THE SECURITY AGENT

Nordic Trustee AS

By: 
Name: Merete Vatsendvik
Title: Authorised signatory

reMarkable Invest AS, 27 September 2024

Base Prospectus

ANNEX 3 – Articles of Association

VEDTEKTER / ARTICLES OF ASSOCIATION

FOR

REMARKABLE HOLDING AS

(sist endret 19. april 2022/last amended April 19th, 2022)

§ 1	§ 1
Selskapets navn er reMarkable Holding AS.	The Company's name is reMarkable Holding AS.
§ 2	§ 2
Selskapets forretningskontor er i Oslo kommune.	The Company's registered office is in the municipality of Oslo.
§ 3	§ 3
Selskapets formål er investeringer i andre selskaper.	The objective of the Company is to invest in other companies.
§ 4	§ 4
Selskapets aksjekapital er NOK 2.544.195,50 fordelt på	The company's share capital is NOK 2,544,195.50 divided into
i) 989 224 Serie A Preferanseaksjer, hver pålydende NOK 0,35 og med et samlet pålydende 346.228,40; og	(i) 989 224 Series A Preference shares, each with a nominal value of NOK 0.35 and a total nominal value of NOK 346,228,40 (a " Preferred A Share "); and
ii) 6 279 906 ordinære aksjer, hver pålydende NOK 0,35 og med et samlet pålydende NOK 2.197.967,10.	(ii) 6 279 906 Common Shares, each with a nominal value of NOK 0.35 and a total nominal value of NOK 2,197,967.10.
§ 5	§ 5
Med de unntak som angitt nedenfor, skal enhver utdeling fra selskapet fordeles forholdsmessig på samtlige aksjer i selskapet.	With the exceptions set out below, any dividend shall be paid pro rata on all shares in the Company.
Ved enhver (a) avvikling, oppløsning eller annet opphør av Selskapets virksomhet eller (b) ved en Exit, skal alle eiendeler tilgjengelig for utdeling (« Avviklingsproveny ») fordeles på følgende måte:	In the event of (a) liquidation, dissolution or winding up of the company or (b) an Exit, any funds and assets of the Company available for distribution (" Liquidation Proceeds ") shall (whether in the form of cash payment or payment in kind) be divided as follows:
(i) Først skal alle eierne av Serie A Preferanseaksjer motta et beløp lik det høyest av (1) USD 15,1634 for hver Serie	(i) first, holders Preferred A Shares will receive an amount per Preferred A Share

*A Preferanseaksje med tillegg av ethvert besluttet, men ikke utdelt utbytte («**Preferansebeløpet**») og (2) et slikt beløp som ville ha blitt utbetalt om alle Serie A Preferanseaksjene hadde vært konvertert til ordinære aksjer umiddelbart før utdelingen av Avviklingsprovenyet; og*

- (ii) *dernest, skal ethvert Avviklingsproveny som overstiger utbetalingen under (i) utbetales pro rata til samtlige eiere av ordinære aksjer.*

Preferansebeløpet skal justeres forholdsmessig ved splitt og spleis av Serie A Preferanseaksjene.

For unngå tvil, når Avviklingsprovenyet skal beregnes, skal enhver tidligere utbetaling av Avviklingsproveny til en aksjonær hensyntas.

*For de formål som fremgår av vedtektene, skal en «**Exit**» anses for å ha inntruffet ved en eller flere sammenhengende transaksjoner som leder til:*

- (i) *En fusjon, konsolidering eller aksjebytte hvor aksjonærene umiddelbart før en slik hendelse ikke lenger beholder majoriteten av stemmene i det selskapet som overlever fusjonen;*
- (ii) *En tredjepart oppnår kontroll over Selskapet slik kontroll er definert i aksjeloven § 1-3 (2); eller*
- (iii) *Et salg, leasing, overføring, eksklusiv lisens til eller annen overføring av all eller nærmest alle av Selskapets eiendeler.*

Hvis færre enn samtlige aksjer har blitt overdratt i en transaksjon som angitt i punkt (ii) ovenfor blir overført, skal en forholdsmessig andel av Preferansebeløpet betales for de aksjer som er faktisk solgt. Ethvert ytterligere salg av aksjer skal gi eierne av Serie A Preferanseaksjer rett til Preferansebeløpet for de aksjer som da selges.

*owned by them, equal to the greater of (1) USD 15.1634 for each Preferred A Share, plus any dividends declared but unpaid thereon (the “**Preferred Amount**”) or (2) such amount per shares as would have been payable had all Preferred A Shares been converted into Common Shares immediately prior to the payment of the Liquidation Proceeds;*

- (iv) *second, all remaining amounts will be distributed among the Common Shares in proportion to their respective holding of Common Shares in the Company.*

The Preferred Amount shall be adjusted proportionally in the event of a split or consolidation of the Preferred A Shares.

For the avoidance of doubt, when calculating the Liquidation Proceeds, any Liquidation Proceeds previously paid to a Shareholder shall be taken into account.

*For the purposes of these articles, and “**Exit**” shall be deemed to have occurred upon a transaction or series of transactions leading to:*

- (i) *a merger, consolidation or share for share exchange in which the shareholders immediately prior to such event do not retain more than a majority of the voting power in the surviving corporation;*
- (ii) *a third party obtaining control over the Company, i.e. control as defined in the Private Limited Companies Act section 1-3 (2); or*
- (iii) *a sale, lease, transfer, exclusive license or other disposition of all or substantially all the Company’s assets.*

In case less than all the shares have been sold in relation to an event as described in item (ii) above, the pro-rata part of the Preferred Amount shall only be payable for those shares that have actually been sold. Any sale of shares thereafter shall trigger the holders of Preferred A Shares’

Hvis Avviklingsprovenyet utbetales dels kontant og dels som naturalytelse, skal utdelingen av Avviklingsprovenyet skje forholdsmessig ved å bruke den samme ratio som forholdet mellom den totale kontantbetalingen og den totale verdien av naturalytelsen.

§ 6

Innehaverne av Serie A Preferanseaksjer kan kreve sine preferanseaksjer konvertert til ordinære aksjer i forholdet 1:1.

*I tillegg skal alle Serie A Preferanseaksjer konverteres til ordinære aksjer om vilkårene for det som angitt i aksjonæravtale for Selskapet datert 5. juli 2019 («**Aksjonæravtalen**») er oppfylt.*

Ved en splitt eller spleis av aksjene, utstedelse av nye aksjer ved fondsemissjon eller utdeling av aksjer som utbytte i relasjon til de ordinære aksjene (uten innskudd fra aksjonærene) og ikke Serie A Preferanseaksjene, ved enhver reduksjon av aksjekapitalen eller innbetalt overkurs med en tilbakebetaling til aksjonærene eller enhver lignende endring som medfører en endring i verdien av de ordinære aksjene, skal ovennevnte 1:1 konverteringsratio endres tilsvarende.

§ 7

Selskapet og alle dets aksjonærer er part i Aksjonæravtalen.

For øvrige forhold enn de som er beskrevet ovenfor og i Aksjonæravtalen vises til den til enhver tid gjeldende aksjelovgivning.

liquidation preference only in respect of such shares.

If the Liquidation Proceeds are made partly in cash and partly in kind, distribution of the Liquidation Proceeds to be made shall be made partly in cash and partly in kind using the same ratio as the total cash payment bears to the total in kind payment.

§ 6

The holders of Preferred A Shares may claim that its shares are converted to ordinary shares on a 1:1 basis.

*In addition, all of the Preferred A Shares shall convert into Common Shares if the conditions set out in the shareholders' agreement for the Company dated 5 July 2019 (as may be amended hereafter in accordance with its terms, the "**Shareholders' Agreement**") is met.*

Upon a split or consolidation of the shares, bonus issue (Nw.: fondsemissjon) of shares or distribution of a comparable share dividend by the Company in each case with respect to the Common Shares (without contribution from the Shareholders) and not the Preferred A Shares, any reduction of the share capital or the share premium fund of the Company with a repayment to the Shareholders or any similar change in the capital of the Company resulting in a change in value of the Common Shares, the above described 1:1 conversion ratio shall be adjusted accordingly.

§ 7

The Company and all of its shareholders are subject to a Shareholders' Agreement.

Other matters than those set out above or set out in the Shareholders' Agreement are dealt with by the at all times applicable companies act.

(Ved motstrid gjelder den norske versjonen/in case of discrepancies, the Norwegian version will prevail).

**VEDTEKTER
FOR
REMARKABLE INVEST AS**

(org. nr. 828 148 702)
(per 27. juni 2022)

**§ 1
Foretaksnavn**

Selskapets foretaksnavn er reMarkable Invest AS.

**§ 2
Selskapets virksomhet**

Selskapets virksomhet skal være investering i andre selskaper.

**§ 3
Aksjekapital og aksjer**

Selskapets aksjekapital er NOK 2 596 048, fordelt på 7 417 280 aksjer, hver pålydende NOK 0,35.

**§ 4
Signatur**

Selskapets firma tegnes av Magnus Haug Wanberg.

**§ 5
Innkalling til generalforsamling**

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke aksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

English office translation. In case of discrepancy the Norwegian version shall prevail

**ARTICLES OF ASSOCIATION
OF
REMARKABLE INVEST AS**

(org. no. 828 148 702)
(per 27 June 2022)

**§ 1
Company name**

The name of the Company is reMarkable Invest AS.

**§ 2
The business activity of the company**

The business activity of the Company shall be investment in other companies.

**§ 3
Share capital and issued Shares**

The share capital is NOK 2,596,048, divided into 7,417,280 shares, at a face value of NOK 0.35.

**§ 4
Authorization to sign on behalf of the
Company**

Magnus Haug Wanberg shall have signatory power on behalf of the Company.

**§ 5
Notice of the general meeting**

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the Company, the requirements in the Companies Act which state that these documents shall be sent to the shareholders shall not apply. This exemption is also applicable with regards to documents which

according to statutory law shall be included in
or attached to the notice of the general
meeting.

VEDTEKTER FOR REMARKABLE AS
(Vedtatt den 28. juni 2022)

- § 1 Selskapets navn er reMarkable AS.
- § 2 Selskapet skal ha sitt forretningskontor i Oslo kommune.
- § 3 Selskapets formål er å utvikle, produsere og selge/levere teknologiske produkter og tjenester.
- § 4 Selskapets aksjekapital er NOK 4 540 400 fordelt på 45 404 aksjer pålydende NOK 100.
- § 5 For øvrig henvises det til den til enhver tid gjeldende aksjelovgivning.