

AIRTHINGS ASA REMUNERATION REPORT 2023

1. INTRODUCTION

1.1 Background

This remuneration report (the "**Report**") is prepared by the board of directors of Airthings ASA (the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") Section 6-16 b with regulations. The Report contains information regarding remuneration to previous, present and future leading personnel of the Company ("**Directors**") for the financial year of 2023 in line with the applicable requirements.

The Company considers CEO, CFO, COO, CMO, SVP, Airthings for Consumer, SVP, Airthings for Business and Director of HR to be comprised by the term leading personnel under the Companies Act. In addition, employees who are members of the board of directors of the Company are comprised. For such personnel, only the remuneration received on the basis of their post are comprised by the Report.

As the Company's presentation currency is USD, this is generally used to present the Company's performance and remuneration measures in this report. However, some measures are more informative to be presented in the Company's functional currency, NOK. The currency being used is clearly marked in each table.

1.2 Highlights summary and overview of the last financial year

Having shown healthy growth over many years, Airthings faced strong macro headwinds through 2022 and 2023. Higher inflation and rising interest rates have caused weaker consumer sentiment and a guarded investment environment where distributors and retailers have reduced inventories.

In response, Airthings has adapted its strategy and approach to enable both scalability and profitability. The new strategy, called Airthings 3.0, builds on a more selective and disciplined go-to-market approach, a sharper focus on unit economics and customer lifetime value, and continued improvements of the software offering to further enhance the value proposition.

The aim of the strategy revamp is to drive scalable growth from improved gross margins and revenue growth above operating cost development and position the Company on a clearer path to profitability. The strategic changes were implemented during the first half of 2023, and the Company gradually saw stronger effects over the three last quarters of the year.

Airthings grew revenue and gross profit and reduced the EBITDA loss during 2023, despite macroeconomic environment that remained challenging and restrained topline growth. Growth in Airthings for Consumer offset the softness in the Airthings for Business and Pro segments.

Company performance	2019*	2020**	2021**	2022**	2023**
Total revenue	144,281	21,016	33,699	35,424	36,592
EBITDA	-15,823	-4,786	-8,035	-11,785	-6,832
EBITDA margin	-11%	-23%	-24%	-33%	-19%
Operating profit / EBIT	-16,517	-5,522	-9,371	-14,662	-8,349
Net profit (loss)	-4,131	-4,131	-7,261	-10,566	-6,258

* NGAAP and (NOK 1,000)

** IFRS and (USD 1,000)

1.3 Executive management remuneration

The remuneration for the executive management consists of fixed base salary (“**FBS**”), short term incentive (“**STI**”) (cash-component) and a long term incentive (“**LTI**”) (equity component) retention scheme consisting of a share option program.

Remuneration of executive management is a strategic tool for the Company to achieve its financial and operational goals while staying within its risk appetite to maximize shareholder value.

The evaluation process covered by this Policy relates to fixed base salary, short term cash incentive, benefits and participation in stock option incentive programs as further described below.

(i) Principle for Fixed Base Salary (FBS)

FBS allows the Company to attract and recruit executives that are necessary for the long-term profitability and sustainability of the Company.

FBS shall reflect the individual’s position and degree of responsibility. The size of the FBS shall reflect market rates at the relevant location. The FBS shall be comparable with relevant businesses (type and size) within the industry, and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience and performance of senior executive. The FBS has no specified maximum level.

(ii) Principle for short term incentive – Cash-component/Bonuses (STI)

The STI is determined 2/3 on achievement related to qualitative key performance indicators (“KPI’s”) set by the Board and 1/3 discretionary set by the Board. The KPI’s are grouped in 4 categories at Company level, at own area/department of responsibility and personal performance. The KPI’s shall balance short-term financial and operational targets with strategic initiatives that support the long-term development and competitiveness of the Company. Any such KPI is to reflect the key drivers for pursuing the Company’s business strategy, long-term interests, sustainable business practices, social responsibility and environmental impact. To which extent the criteria for awarding such STI have been satisfied shall be determined concretely by the Company after the relevant measurement period of the KPI has ended. The STI shall be evaluated and documented on an annual basis. The maximum STI is limited to 40% of the CEOs FBS and 30% for other members of the executive team (excl. SVP, Airthings for consumer and SVP, Airthings for business). SVP, Airthings for consumer and SVP, Airthings for business have an agreement of sales bonus up to 30% of FBS. The criteria for bonus achievement are based on the sales teams goals for the year.

The Company’s policy is to ensure that contractual grounds exist to require salaries, whether fixed or variable, to be refunded if the basis for the payment later proves incorrect, in case of erroneous payments or in the event of breach of contractual obligations. Positions held by external consultants are not eligible for STI.

(iii) Principle for long term incentive – Equity component/Share option plan (LTI)

The Company has a share option program covering all employees in the Company. The share option program has the following main terms:

- Granted options vests with equal tranches with 25% each year starting on the first anniversary of the grant date. The options can be exercised after they are fully vested until they expire 5 years after the grant date.
- Vesting requires continued employment or association with the Company.
- The exercise strike price is normally defined by the share closing price at the stock exchange at the date when share options are awarded.

2. TOTAL REMUNERATION FOR DIRECTORS

2.1 Introduction

The table in Section 2.2 below contains an overview of the total remuneration received by the Directors, as well as remuneration that were granted/awarded/due but not yet materialized, during the reported financial year. Only remuneration earned on the basis of the Directors' role as a leading person is comprised.

2.2 Remuneration of Directors for the reported financial year

USD (1,000)¹⁾

Name and position	1. Fixed remuneration			2. Variable remuneration		3. Pension expense	4. Total Remuneration	5. Proportion of fixed and variable remuneration
	Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable			
Øyvind Birkenes ²⁾ CEO	237	-	2	338	-	8	585	42% / 58%
Audhild Andersen Randa COO	158	-	2	27	-	8	195	82% / 18%
Magnus Bekkelund ³⁾ Interim CFO	26	-	0	-	-	1	27	95% / 5%
Jeremy Gerst ⁴⁾ Former CFO	158	-	1	38	-	8	206	77% / 23%
Millie Paakkola ⁵⁾ Current CMO	46	-	1	-	-	4	51	92% / 8%
Lauren Pedersen ⁶⁾ Former CMO	67	-	-	20	-	4	91	74% / 26%
Anders Follerås SVP Airthings for Consumer	153	-	2	6	-	8	168	92% / 8%
Pål Berntsen, SVP Airthings for Business ⁷⁾	42	-	1	6	-	4	52	81% / 19%
Anita Øverbekk ⁸⁾ Director of HR	165	-	-	-	-	-	165	100% / 0%

- 1) Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
2) CEO resigned from the role as of 3 March 2024. The column "One-year variable" includes severance pay which will be paid in alump sum in May 2024.
3) Compensation is only reflected for the period that the executive was a part of management which was from 1 November 2023.
4) Compensation is only reflected for the period that the executive was a part of management which was until 31 October 2023.
5) Compensation is only reflected for the period that the executive was a part of management which was from 1 July 2023.
6) Compensation is only reflected for the period that the executive was a part of management which was until 30 June 2023.
7) Compensation is only reflected for the period that the executive was a part of management which was until 31 April 2023.
8) Hired externally and invoiced monthly.

3. SHARE-BASED REMUNERATION

3.1 Introduction

The table(s) in Section 3.2 below contains information on the number of share options granted or offered for the reported financial year. In the table, the main conditions for the exercise of the rights including the exercise price and date and any change thereof appear.

3.2 Share options granted or offered to the Directors for the reported financial year

For information about share-based option plans, see Note 6.8 to the consolidation financial statements.

Name and position	The main conditions of share option plans							Information regarding the reported financial year					
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting Date	5 End of holding period	6 Exercise period	7 Strike price of share	8 Opening balance	9 During the year		10 Closing Balance		
								8 Share options awarded at the beginning of the year	9 Share options awarded in 2023	10 Share options vested in 2023	11 Share options subject to a performance condition	12 Share options awarded and unvested 2023	13 Share options subject to a holding period
Øyvind Birkenes CEO	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	2,086,600	250,000	116,700	NA	550,000	NA
Audhild Andersen Randa COO	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	192,000	250,000	48,000	NA	364,000	NA
Magnus Bekkelund Interim CFO	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	81,854	31,155	20,458	NA	77,338	NA
Jeremy Gerst Former CFO	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	292,000	350,000	73,000	NA	514,000	NA
Millie Paakkola CMO	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	30,771	40,000	7,688	NA	57,051	NA
Anders Follerås SVP Airthings for Consumer	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	162,000	200,000	19,000	NA	249,500	NA
Anita Øverbekk Director of HR	Share options	5 years	1 July 2023	1/4 after 1 year, 1/4 after 2 years, 1/4 after 3 years and 1/4 after 4 years	NA	5 years	NOK 2.305	75,000	150,000	18,750	NA	198,750	NA

4. ANY USE OF THE RIGHT TO RECLAIM VARIABLE REMUNERATION

The Company did not reclaim variable remuneration during the reported financial year.

5. INFORMATION ON HOW THE REMUNERATION COMPLIES WITH THE REMUNERATION POLICY

Please find below an explanation on how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the Company and information on how the performance criteria were applied.

The total remuneration complies with the remuneration policy for the Directors and the leading persons, and thereby ensures an appropriate total remuneration package that has a clear link to the business strategy and aligns with shareholder interests.

The remuneration policy was developed in 2023, with the goal of contributing to the Company's long-term results. The criteria have been applied as specified in the guidelines with the executive team members' salary, bonus and options all in line with the guidelines. As mentioned above, the STI is determined 2/3 on achievement related to qualitative KPI's set by the Board and 1/3 discretionary set by the Board.

As mentioned in the Company's remuneration guidelines, the STI is determined 2/3 on achievement related to qualitative KPIs set by the Board and 1/3 discretionary set by the Board. As a result of a challenging year, not enough of the KPIs were met to warrant any bonus payments to the management team for 2023, and as a result, 2/3 of the possible bonus for the management team was not paid out. The Board noted, however, that the management team had worked very hard, even in the face of many challenges, and in order to ensure that the team is motivated going forward, the Board decided to give a discretionary bonus to the members of the management team who do not have a sales bonus and who are eligible for a discretionary bonus this year. The amount agreed to be paid was 80% of the discretionary bonus. The following management team members received the bonus in the following amounts:

USD (1,000)¹⁾

<i>Name and position</i>	<i>Bonus</i>
Øyvind Birkenes CEO	43
Audhild Andersen Randa COO	27
Jeremy Gerst Former CFO	38
Lauren Pedersen Former CMO	20
Anders Follerås SVP Airthings for Consumer	6

1) Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year

6. DEROGATIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND FROM THE PROCEDURE FOR ITS IMPLEMENTATION

There have been no deviations from the procedure for the implementation of the remuneration policy or any derogations from the remuneration policy itself.

7. COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

The table below in this Section 7 contains information on the annual change of remuneration of each individual Director, of the performance of the Company and average remuneration on a full-time equivalent basis of employees of the Company other than Directors over the five most recent financial years. Annual change has been calculated based on compensation currency. Where applicable, the numbers have been annualized for comparison reasons.

Annual change	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Information regarding the recent financial year (RFY)
<i>Director's remuneration¹⁾</i>						
Øyvind Birkenes ²⁾ CEO	6%	340%	-73%	70%	-27%	The significant decline in remuneration in 2023 compared to 2022 is due exercise in options in 2022.
Audhild Andersen Randa COO	NA	NA	NA	29%	21%	
Magnus Bekkelund Interim CFO	NA	NA	NA	27%	2%	
Jeremy Gerst CFO	NA	NA	NA	NA	48%	The significant increase in remuneration in 2023 compared to 2022 is due to bonus payment of 2022 performance in 2023. Not eligible for bonus in 2022.
Millie Paakkola CMO	NA	NA	NA	NA	NA	
Lauren Pedersen CMO	NA	NA	14%	23%	0%	
Anders Follerås SVP Airthings for Consumer	NA	NA	NA	NA	19%	No sales bonus in 2022 due to parental leave.
Pål Berntsen, SVP Airthings for Business	NA	59%	-9%	7%	NA	
Anita Øverbekk ³⁾ Director of HR	NA	NA	NA	NA	3%	
Erlend Bolle, CTO	5%	6%	6%	16%	NA	
Torje Carlsson, SVP Airthings for Consumer	NA	29%	4%	-8%	NA	
Erik Lundby, CFO	NA	NA	3%	NA	NA	
Koki Yoshioka, COO	2%	7%	5%	NA	NA	
Jonas Olsson, VP R&D Hardware Products	NA	NA	39%	NA	NA	
Alexander Sagen, VP R&D Software Solutions	9%	16%	3%	NA	NA	
Pippa Boothman, CMO	9%	NA	NA	NA	NA	
Bjørn Magne Sundal, VP R&D Hardware Products	4%	NA	NA	NA	NA	
<i>Company performance</i>						
Total revenue	NGAAP not comparable figures	NGAAP not comparable figures	60%	5%	3%	Introducing a revised strategy, Airthings 3.0 in the second quarter of 2023. This strategy has a two-fold goal, first to drive revenue growth while improving gross profit margins and secondly, to lower the percentage share of operating costs.

<i>Annual change</i>	<i>2019 vs 2018</i>	<i>2020 vs 2019</i>	<i>2021 vs 2020</i>	<i>2022 vs 2021</i>	<i>2023 vs 2022</i>	<i>Information regarding the recent financial year (RFY)</i>
EBITDA	NGAAP not comparable figures	NGAAP not comparable figures	-68%	-47%	42%	Introducing a revised strategy, Airthings 3.0 in the second quarter of 2023. This strategy has a two-fold goal, first to drive revenue growth while improving gross profit margins and secondly, to lower the percentage share of operating costs.
EBIT	NGAAP not comparable figures	NGAAP not comparable figures	-70%	-56%	43%	Introducing a revised strategy, Airthings 3.0 in the second quarter of 2023. This strategy has a two-fold goal, first to drive revenue growth while improving gross profit margins and secondly, to lower the percentage share of operating costs.
Net profit (loss)	NGAAP not comparable figures	NGAAP not comparable figures	-76%	-46%	41%	Introducing a revised strategy, Airthings 3.0 in the second quarter of 2023. This strategy has a two-fold goal, first to drive revenue growth while improving gross profit margins and secondly, to lower the percentage share of operating costs.
<i>Average remuneration on a full-time equivalent basis of employees</i>						
<i>Employees of the Company</i>		6%	2%	6%	3%	
<i>Employees of the Group</i>		11%	0%	7%	5%	

- 1) Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
2) CEO resigned from the role as of 3 March 2024
3) Hired externally and invoiced monthly.

The percentage changes reported above are based on the Company's presentation currency, USD. Accordingly, these changes are, in part, affected by changes in foreign exchange rates between years.

The board of Directors notes that over 99.9% of the votes cast at the Annual General Meeting 2023 voted in favor of both the guidelines for executive remuneration and the executive remuneration. Accordingly, no significant changes in the remuneration policy have been considered necessary.

8. STATEMENT BY THE BOARD OF DIRECTORS

The Remuneration Report is prepared in accordance with section 6-16 b of the Norwegian public limited companies Act.

The board of directors has today considered and adopted the Remuneration Report of Airthings ASA for the financial year 2023. The Remuneration Report will be presented for an advisory vote at the Annual General Meeting 2024.

[signature page follows]

19. March 2024

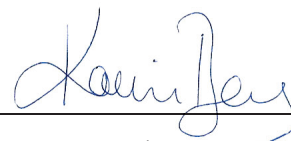
Board of Director Airthings ASA



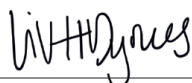
Geir Førre
Chairman of the Board



Aksel Lund Svindal
Board member



Karin Berg
Board member



Liv Dyrnes
Board member



Chloe Emma Waller
Board Member



Niklas Copley Norin
Board member

To the General Meeting of Airthings ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Airthings ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 - "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design 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. Further we performed procedures to ensure completeness and accuracy of the information



provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO AS

Børre Skisland
State Authorised Public Accountant
(This document is signed electronically)

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Børre Skisland

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