AIRTHINGS

Annual Report 2024

Letter from the CEO

Dear Airthings Community,

2024 was a year of significant transformation for Airthings. We took decisive steps to adapt our strategy, optimize our organization, and strengthen our position in a rapidly evolving market. Awareness of indoor air quality (IAQ) increased faster than ever, driven by growing health concerns, the impact of wildfires, and stricter regulations. More and more people now see air quality monitoring as a "must-have" rather than a "nice-to-have."

This shift fueled strong demand for our products, particularly in the Consumer segment, where we achieved 22 percent underlying revenue growth, selling over 320,000 devices, up 40 percent from 2023. At times, demand even outpaced our ability to deliver, reinforcing the need to continuously optimize our supply chain and inventory management. The Business segment faced challenges, but after a slow start to 2024, we saw steady improvement, with positive revenue trends throughout the year.

In 2024, we reduced our workforce by 20 percent to establish a leaner organization and a lower cost base. At the same time, we refined our go-to-market strategy, prioritizing high-potential segments and adjusting our retail channel mix to better align with consumer behavior. A key milestone was our new distribution agreement with Target Corp., which from 2025 will strengthen our US retail presence through the sale of Airthings products in select stores and online. We have particularly high expectations of Corentium Home 2, our next-generation radon detector, which was launched in January 2025.

Throughout the year, we also focused on improving supply chain and pricing strategies to ensure a healthy balance between volume growth and profitability. Despite strong demand, gross margins declined from last year, impacted by channel mix effects, promotional activities, and pre-planned high-velocity sales events. Strengthening margins remains a priority as we work toward sustainable and profitable growth.

With a sharper focus, a leaner organization, and a growing market opportunity, Airthings is well positioned for the future. We remain committed to driving profitable growth, with a target of positive EBITDA in the second half of 2025 and for the full year 2026. The Consumer segment will continue to be a key growth driver, supported by increasing awareness, a strong product portfolio, and an expanding distribution network. At the same time, we will continue to optimize our business model to ensure a solid balance between growth, profitability, and operational efficiency.

I want to thank our dedicated employees for their hard work, our partners and customers for their trust, and our shareholders for their continued support. Airthings remains committed to empowering people to breathe better, at home, at school, and at work.

All the best,

Emma Tryti
CEO, Airthings

This is Airthings ASA

Airthings is a global technology company and producer of award-winning radon and indoor air quality monitors for homeowners, businesses, and professionals. Founded in 2008, Airthings is on a mission to ensure that people around the world recognize the impact of indoor air quality and take control of their health through simple, affordable, and accurate technology solutions. We expect indoor air quality to be seen as a basic need in the future, as awareness and insight around the importance of air quality grows.

Airthings' products have made radon detection and indoor air quality monitoring easy to deploy, accurate, and user friendly, and have received several accolades including the TIME's Best Inventions award and CES Innovation Award Honors. Headquartered in the heart of Oslo, Norway, and with offices in the US and Sweden the Company has over 105 employees from more than 30 nationalities.

Our story

With roots stemming from innovation focused on radon monitoring, Airthings has grown to incorporate monitoring of other critical air contaminants, standing at the forefront of the industry. We offer sophisticated monitors, cutting-edge software, and cloud analytics to households, schools, and businesses. With the data gathered through our sensors, we empower people to breathe better, increase productivity, and live healthier.

On average, we breathe 28,000 times every day, and we spend up to 90% of our time indoors, where the air quality can be up to five times worse than that of the outdoors. Our products provide actionable insights to improve indoor air quality, leading to better focus, sleep and overall health.

Technology leadership

Our technology and solutions are developed in-house, from industrial design, hardware, and radio protocols to app development, software, and firmware. Most of our products are smart products with corresponding apps, online dashboards, and APIs. The heart of our system is in the cloud where we turn air quality statistics into advanced analytics, converting raw data into usable information. By leveraging this anonymized data from Airthings' sensors in homes and buildings worldwide, we can provide valuable insights to our customers and help them improve the air quality while reducing energy usage.

We are continuously adding new features and solutions to a platform that has earned us our reputation for true leadership in the industry. Our technology is consistently improving, with both hardware advancements and new software solutions developed, which allow us to lead the way, and set the standard in the industry.

Focused strategy through health driven indoor air quality

Airthings is an early mover and thought leader pursuing a massive market opportunity supported by positive megatrends. During 2024, Airthings shifted its strategy to invest in a common value proposition for both the Consumer and Business segments driven by health-driven indoor air quality. People are increasingly aware of their personal health, and they take their care for their health and awareness of IAQ wherever they go. As a part of people's lives, Airthings provide solutions ensuring people's safety, wellness and performance, whether they are at home, at school or at work.


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52 WEEKENDS

Airthings at a glance

A hardware-enabled software company solving real issues

- Empowering people to breathe better
- Global leader in indoor air quality solutions
- Providing Airthings to people at home, at work and at school
- Increasing demand by changing perceptions

Supported by the megatrend health tech, people are more and more engaged in the personal health and the category is rapidly increasing

Health tech

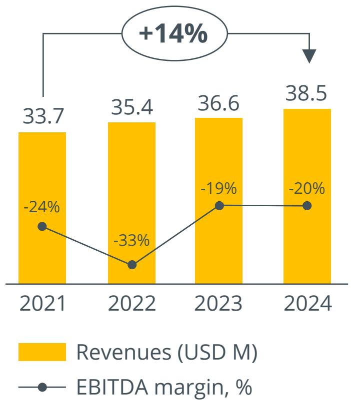
Smart home

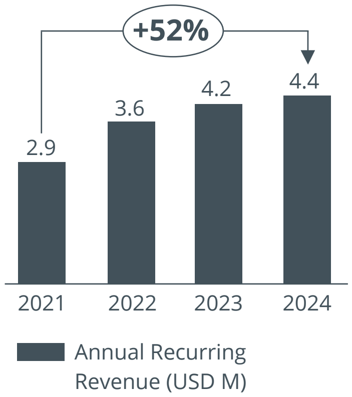
Sustainability

Energy efficiency

Regulations

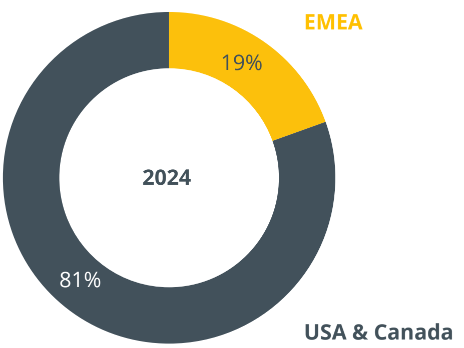
Continued growth

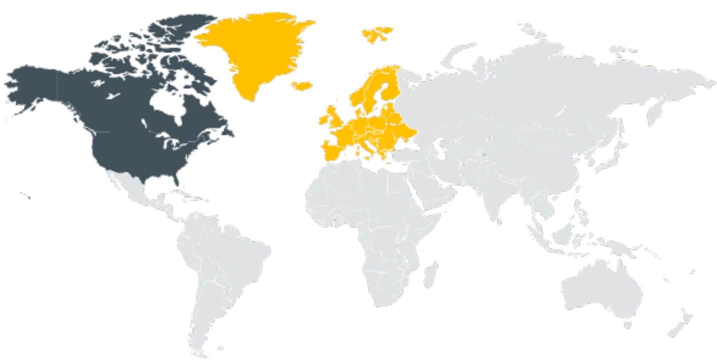




User-friendly, engaging products, and actionable insights

International and expanding presence in core markets (revenue split, %)





Addressing a critical issue

Health

The air we breathe has significant impact on our health, and yet most of us do not understand it well.

Safety

Radon-induced cancer

Respiratory problems

Wellness and performance

Headaches and nausea

Reduced cognitive performance

Uniquely positioned in a growing global market

376M

residential homes in EU and North America

Airthings at home

130M

offices in EU and North America

Airthings at work

9M

classrooms in EU and North America

Airthings at schools

The year in brief

In 2024, Airthings experienced high demand for its radon and indoor air quality devices with a 40% increase of consumer device shipments compared to 2023. Airthings delivered a revenue growth of 5% to USD 38.5 million, driven by 22% growth in Consumer and a decline of 35% in the Business segment. Annual recurring revenues (ARR) grew 6% to USD 4.4 million with growth both in Business and Professional.

Gross profit declined 3% compared to 2023, with gross margin declining from 61% to 56%. The results were negatively impacted by the write down of inventory and buyback of inventory related to a single product, totaling USD 1.2 million. Adjusted to these elements revenue growth was 9% and gross profit increased 2% year over year. The loss before taxes declined to USD -12.0 million from USD -8.0 million driven by the gross profit decline, increased freight and commissions and an goodwill impairment of USD 2.6 million related to the Business segment.

During 2024, the Company worked on executing on the revised strategy One Airthings: To accelerate the progress towards profitability, Airthings has simplified the organization and operations and focus on one, shared and customer-centric value proposition across segments.

Quarterly highlights

Q1

Airthings kicked off the year with the launch of two new products, including Airthings Renew, the Company's first-ever smart air purifier and Wave Enhance, both designed to improve air, comfort, sleep quality and productivity in the home. In March, Emma Tryti joined the Company as the new CEO and the Company announced all-time high consumer sales in Q1.

Q2

Airthings announced continued strong growth in the Consumer segment with revenues increasing 37% YoY. The Company announced the appointment of a new management team to drive growth and profitability.

Q3

Performance and insights gained during the first half of 2024 triggered a review and update of the Company's strategy to make sure Airthings capitalizes on market trends. Under One Airthings, a new simplified organization focusing on one, shared and customer-centric value proposition across segments was developed. Airthings announced its target to be EBITDA positive for the second half of 2025, and for the full year 2026.

Q4

Strong growth in the Consumer segment secured another all-time-high quarter for Consumer with revenues growing 22% underlying. Increased awareness of indoor air quality continued to drive strong underlying demand and Airthings shipped more than 100,000 devices in the fourth quarter 2024, a growth of 60 percent compared to the same quarter in 2023.

Business overview

Airthings is a leader in indoor air quality with a strong foundation in both North America and Europe with shipments of over 320,000 consumer devices globally in 2024, growing 40% from 2023 Airthings empowers people to breathe better through indoor air quality solutionstargeted to homes, schools and at offices. Airthings derives 81% of its revenue from the USA and Canada and 19% from the EMEA region. Airthings delivers products and services to both the consumer market, the commercial business market, and radon professionals, representing the three business segments: The Consumer segment, The Business segment, and The Professional segment.

The Consumer segment

The Consumer segment combines a range of top-of-the line air quality monitors and air purifiers with software solutions to enable consumers to create and maintain a healthy home environment. In 2024, revenue in this segment came in at USD 30.2 million, an increase of 22% from 2023 and growing 25% adjusted for a buyback of inventory. The number of new device registrations for connected products increased by 12% in 2024 as a significant part of the units sold were offline radon measurement devices.

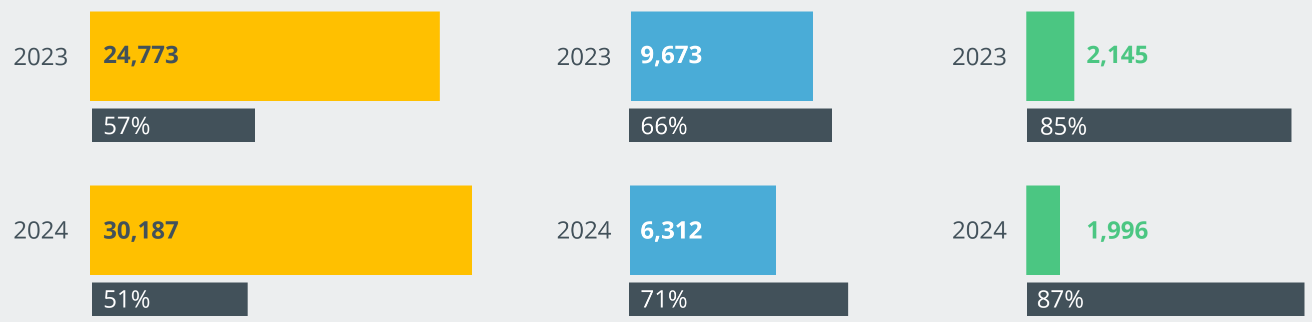
The Business segment

The Business segment offers indoor air quality solutions for schools and public buildings and large enterprises. Airthings focus on selected geographies through direct sales and via strategic partners to increase distribution. Revenue in this segment came in at USD 6.3 million, and the decline of 35% from 2023 reflecting a challenging macro-economic situation for Businesses and large deals with single customers in 2022 and 2023. The number of devices in the field increased by 22% last year, and annual recurring revenue (ARR) in the Business segment increased by 6% to USD 3.3 million.

The Professional segment

Airthings for Professionals is the smallest of the three business segments, offering an easy touse NRPP/NRSB certified radon measurement device with a dashboard solution tailored for home inspectors and radon professionals. In addition to device sales, Airthings offers calibration services, leasing, and an Affiliate Program for its users. Revenue in this segment amounted to USD 2.0 million in 2024, a decrease of 7% from 2023.

2024 revenue and gross profit margin (USD 1,000)



Management team

Emma Tryti, Chief Executive Officer (CEO)

Emma Tryti is the Chief Executive Officer of Airthings. Emma is a widely respected leader in the Norwegian financial industry,with experience as the former Chief Commercial Officer eCommerce and Invoice at Vipps and as Chief Executive Officer of Kron. Among other things, Emma has experience in private equity transactions from Danske Bank Loan Capital Markets. Emma has a proven track record of delivering results by combining creativity, solution orientation and execution power. She is an open-minded leader who leads by example, builds strong teams and gets energized by creating new solutions that make everyday life easier. Emma holds an MSc in Economics, with a specialization in mathematics, from the University of Western Australia.

Helge Øien, Chief Financial Officer (CFO)

Helge Øien, CFO of Airthings, joined the Company in 2024 after leaving Allente Group, where he served as Group CFO starting in 2021. He held several positions in the Telenor Group, including CFO of Telenor Myanmar, Vice President M&A, and Investor Relations Director. Before joining Telenor, he worked as Nordic OEM business manager for Microsoft in Norway. Helge is a Certified European Financial Analyst and has an Executive MBA in Finance from Norwegian School of Economics.

Audhild Andersen Randa, Chief Technology Officer (CTO)

Audhild Randa is CTO at Airthings and leads the R&D team. Prior to joining Airthings, she was VP Technology Europe at Circle K leading a team of 230 IT professionals across 10 countries. Prior to joining Circle K, she worked as a management consultant at McKinsey & Company, with a focus on Marketing & Sales in Media, Telecom and Retail. Audhild is a Board member of Entur AS, a state-owned company that creates digital infrastructure for the public transport sector in Norway. She holds an M.Sc in Engineering Mathematics from the Norwegian University of Science & Technology (NTNU) and a B.A. in Russian Area Studies from the University of Oslo (UiO).

Ole Martin Kristiansen, Chief Product Officer (CPO)

Ole Martin Kristiansen, the Chief Product Officer at Airthings, has led and shaped many of Norway's most popular services and apps over the past 15 years, including Vipps, Oda, Coinbase, SATS, Morgenlevering, and DNB. Before founding his own company, Kron, he led design and product at Bakken & Bæck, an international consultancy with offices in Oslo, London, Amsterdam, and Barcelona. Ole Martin also has experience working with strategic brand development.

Chloe Waller, Chief Commercial Officer (CCO)

Chloe Waller has 15 years of experience in the high tech industry in sales leadership, strategic partnerships development and P&L management roles. She worked in the semiconductor, payment and biometric security industry prior to joining Airthings. She holds a Masters of Science in Engineering from IP Paris (Telecom SudParis) and lives in Austin, TX.

Hanne Norstrøm-Ness, Chief Growth Officer (CGO)

Hanne Norstrøm-Ness is the Chief Growth Officer. Prior to joining Airthings, she was a partner and strategic adviser specializing in change leadership at NoA Consulting. Hanne has a strong commercial background, with previous experience from Vipps, Finn, Schibsted, and Opera Software.

Board members

Geir Førre, Chairman

Geir Førre is Managing Partner in Firda, the largest shareholder in Airthings. Firda invest in ambitious Norwegian technology companies with global ambitions. Geir holds a M.Sc in Electrical Engineering. He started his career as a research scientist at SINTEF before becoming a serial entrepreneur who founded and led Chipcon and Energy Micro, two successful Norwegian semiconductor companies, from inception to exit. He was also the founding investor and Chair of Prox Dynamics, who pioneered a whole new industry within Nano UAV helicopters. Besides being the Chair of Airthings since 2015, Geir is the Chair of Disruptive Technologies and Zivid.

Liv Dyrnes, Board Member

Liv Dyrnes is CFO and Deputy CEO of Klaveness Combination Carriers ASA. Dyrnes has +17 years experience in the shipping and finance industries and is currently a board member of Utkilen AS. Dyrnes holds a Master of Science in Finance from the Norwegian School of Economics (NHH).

Karin Berg, Board Member

Karin Berg is a commercial leader with extensive experience in consumer-oriented businesses. She has held various management positions at Wanda, Komplett Group, Carlsberg, McKinsey, and BearingPoint. She holds an MSc in Economics from the Norwegian School of Economics (NHH).

Aksel L. Svindal, Board Member

Aksel Lund Svindal is a Norwegian former World Cup alpine ski racer. He's a two-time overall World Cup champion, an Olympic gold medalist in super-G, and a five-time World Champion in downhill, giant slalom, and super combined. Experienced in building performance culture after competing at the highest level in sports for 15 years, Svindal has been a seed investor for more than five years and joined Airthings Board of Directors in 2019.

Elisabeth Barrie, Board Member

Elisabeth Barrie is a member of the Group Management Team at Volvo Cars, serving as Head of Commercial Digital. She is also a board member of the Volvo Cars Tech Fund and Chair of Volvo Car Retail Solutions AB. Previously, Elisabeth was the Chief Product Officer at Vipps and VP of Growth for Established Markets at Schibsted Media Group.

Laoise Ballance, Employee representative to the board

Laoise Ballance has over 6 years of experience in the global tech industry. She currently holds the position of Product Manager, and previously served as Head of Customer Success at Airthings. Prior to working at Airthings, she gained diverse experience within Operations management, Banking, and Finance at international companies such as Gelato AS, Intesa Sanpaolo, and CNP Santander. She holds a B.A. in International Modern Languages from University College Dublin.

Tore Sæstad, Employee representative to the board

Tore Sæstad has over 10 years of experience as a software developer. He currently holds the position of Head of Software Platform at Airthings. Before joining Airthings in 2019, he worked for Appear. He holds a master's degree in Electronics from the Norwegian University of Science and Technology (NTNU).

Board of Directors' Report

Airthings is a global tech company headquartered in Norway and led by a cross functional team consisting of experienced leaders, scientists, product- and technology developers, sales- and marketing experts. The mission of Airthings is to empower people to breathe better. This happens through easy-to-use and reliable indoor air quality (IAQ) products and services provided to people at home, at work and at school. Airthings creates patented technology and software that accurately informs and educates users about what's in the air they breathe, purifies their air, and empowers them with the data-driven insights necessary to make smarter decisions for their health.

The Company's key revenue generators are individual consumers, businesses, schools, and air quality and radon professionals. Airthings reports across the three segments: Consumer, Business and Professionals.

Airthings distributes its consumer products through its own website airthings.com, e-commerce partners and premium retailers. The distribution model to the Business segment is driven by direct sales or sales through B2B partners. North America is the main market and represented 81% of revenues in 2024, the majority of the remaining revenues are from Europe.

Airthings ASA has two fully owned subsidiaries, Airthings America Inc. in the US, and Airthings AB in Sweden. Airthings ASA, the parent company of the Airthings Group, was admitted to trading on Euronext Growth in Oslo in October 2020 and conducted a transition to the main Oslo Stock Exchange in June 2022.

Key developments and future focus

Since its establishment in 2008, Airthings has shown strong revenue growth. However, in recent years, the overall growth has slowed. In 2024, the Consumer segment showed solid growth, the Pro segment was stable, and the Business segment declined due longer lead times and macro-economic pressure.

Performance and insights gained during the first half of 2024 triggered a review and update of the Company's strategy. A more focused strategy was implemented in the third quarter to capitalize on strong market trends in personal health and to ensure the best possible return on investment in the short to medium term. To accelerate the process, the organization and operations were simplified and streamlined to focus on one shared, customer-centric value proposition across segments. This included a narrower focus on people's health, while the previous focus on energy efficiency in buildings will now be done only through value-added partners, The Innovation Norway project on energy efficiency was consequently terminated early.

The aim of the updated strategy is to drive scalable growth and reach profitability with a target of positive EBITDA in the second half of 2025 and for the full year 2026.

The Board and management of Airthings remain confident in the large global market opportunity and the long-term potential of the business, which is supported by strong and lasting tailwinds from megatrends in health tech, smart homes and regulations.

Events after the reporting period

RCF - On 5 February 2025, Airthings received credit approval for renewal of the revolving credit facility (RCF). The size of the new facility is reduced to USD 5.0 million. The RCF has a tenor of 11 months and falls due 31 December 2025, see note 6.2.

Financial summary

The consolidated financial statements of the Airthings Group ("the Group") are presented under the IFRS® Accounting Standards as adopted by the EU. The presentation currency of the Group's IFRS figures is USD. The functional currency of the parent company is NOK.

All financial statements in this report are presented on a going concern basis in accordance with the Norwegian Accounting Act section 3-3a, and the Board of Directors confirms that the prerequisites for a going concern assumption are indeed present.

Airthings grew revenue across segments by 5% while gross profit declined 29% negatively impacted by a significantly larger share of sales being generated from the Consumer segments where margins are lower, margin pressure in some channels and certain one-time items. The 35% decline in the Business segment was more than offset by a 22% growth in the Consumer segment. Adjusted for buyback of inventory related to a battery issue and impairment of inventory, total revenues grew by 8%, driven by revenues growth of 25% in the Consumer segment, and gross profit increased by 3%. The EBITDA loss increased compared to the year before, explained by the above-mentioned one-time items, restructuring costs and impairment of goodwill. Cash flow from operating activities improved from USD -3.4 million in 2023 to USD -2.0 million in 2024, supported by working capital improvements.

Income statement

Revenues amounted to USD 38.5 million in 2024, up 5% compared to USD 36.6 million in 2023. The revenue growth was driven by strong volume growth in the Consumer segment more than offsetting the decline in revenues in the Business segment. The Consumer segment, accounting for 78% of total revenues, shipped 40% more devices in 2024 compared to 2023, driving revenue growth of 22%.

In the Q4 2024 report, Airthings disclosed that buyback of inventory due to defective batteries in a product batch from a 2022 delivery negatively impacted Consumer revenues by USD 0.9 million. Adjusting for this, the growth in the Consumer segment was 25% in 2024. In addition, the cost of goods sold was impacted by inventory impairment of USD 0.3 million.

Gross profit ended at USD 21.7 million in 2024, down 3% from USD 22.3 million in the previous year, explained by a significantly larger share of total revenues being generated from the Consumer segment, where margins are lower, the above-mentioned negative one-time items, product- and channel mix with higher promotional activity. The gross margin for the full year 2024 was 56%, down 5 percentage points from 2023.

EBITDA-loss increased from USD 6.8 million in 2023 to a loss of USD 9.1 million in 2024. The EBITDA loss was negatively impacted by USD 0.9 million related to the inventory buyback, inventory impairment of USD 0.3 million and USD 2.6 million related to goodwill impairment in the Business segment.

Depreciation increased from USD 1.5 million in 2023 to USD 2.0 million in 2024, mainly due to depreciation of internally generated intangible assets and right-of-use of asses for lease. The operating loss (EBIT) hence increased from USD 8.3 million in 2023 to USD 13.7 million in 2024.

Net financial items were positive at USD 1.7 million in 2024, up from USD 0.3 million in 2023. This mainly reflected exchange rate fluctuations between USD and NOK and interest payments on outstanding debt. Interest bearing debt amounted to USD 1.2 million at the end of 2023, compared to USD 1.4 million at the end of 2023.

Net loss before taxes was hence USD 12.0 million in 2024, compared to USD 8.0 million in 2023. Tax expense amounted to USD 5.9 million in 2024 compared to a tax income of USD 1.8 million in 2023. The tax expense included a USD 6.6 million effect from a reevaluation of deferred tax assets. The Group is recognizing deferred tax assets arising from tax losses it expects that will be utilized within the coming 4 years. As part of the updated strategy of the Company management expects that it will take a couple of more years before the historical tax losses will be fully utilized. In total, this generated a net loss for Airthings of USD 17.9 million in 2024, while the net loss in 2023 was USD 6.3 million.

Balance sheet

Airthings Group had total assets of USD 42.7 million at the end of 2024, down from 64.7 million at the end of 2023. Current assets amounted to USD 34.8 million (46.1), including cash and cash equivalents of USD 8.8 million (14.6) and inventories of USD 10.5 million (15.3). Non-current assets amounted to USD 7.9 million (18.5), with the largest changes driven by the revaluation of deferred tax asset and goodwill impairment.

Airthings Group had total liabilities of USD 14.4 million per 31 December 2024, stable versus end of 2023. Total liabilities consisted primarily of lease liabilities, trade payables, contract liabilities, interest bearing debt, and other provisions.

There were no changes to Airthings Group share capital during 2024.

Total equity amounted to USD 28.2 million at the end of 2024, corresponding to an equity ratio of 66%. This compares to total equity of USD 50.3 million and an equity ratio of 78% at the end of 2023.

Cash flow statement

Airthings Group's cash flow from operating activities Airthings Group's cash flow from operating activities was USD -2.0 million in 2024 compared to USD -3.4 million in 2023. The operating cash flow was mainly driven by losses before tax of USD 12. million (-8.0), partly offset by positive net working capital adjustments of USD 4.8 million (3.4). Inventories declined by USD 4.8 million during 2024, compared to a decrease of USD 3.4 million in 2023. Airthings has implemented a strategic focus to reduce days of inventory. At the end of 2024, the Company reached its goal of <250 days of inventory, compared to 386 days at the end of 2023.

Total cash flow from investments was USD -0.8 million in 2024, compared to USD -1.4 million in 2023, mainly driven by capitalized development expenditures of USD 1.1 million.

Cash flow from financing was USD -0.9 million in 2024, mainly related to lease payments, versus USD 7.5 million in 2023 when Airthings had proceeds from equity issuance of USD 7.1 million. Net foreign exchange differences resulted in a cash flow of USD -2.0 million over 2024, compared to USD -1.5 million in 2023. As a result, cash and cash equivalents decreased to USD 8.8 million at year-end 2024, down from USD 14.6 million at the end of 2023.

Allocation of net profit

The consolidated accounting loss for 2024 was USD 17.9 million, with the proposed allocation of the net profit for the year shown in the Annual Financial Statement.

PARENT COMPANY ACCOUNTS

(Figures for 2023 in brackets)

The annual accounts for the parent company Airthings ASA have been prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP). The functional currency of the parent company is NOK.

Airthings ASA's revenue from sales amounted to NOK 427.5 million (358.0). Gross profit was NOK 245.3 million in 2023 (208.8). Operating expenses amounted to NOK 348.6 million (300.1), and loss before tax was NOK 126.4 million (104.4). Tax expense was NOK 60.3 million in 2024 (-21.0), generating a net loss of NOK 167.6 million (-77.9).

Total assets amounted to NOK 462.4 million at year-end 2024 (604.8), whereof current assets represented NOK 390.5 million (416.7). Total equity was NOK 333.8 million per 31 December 2024 (499.5).

Current liabilities were NOK 114.1 million per year-end 2024 (90.2), whereas the parent company had long term liabilities of NOK 14.5 million (15.1) mainly related a growth loan from Innovation Norway.

Net cash flow from operating activities was negative NOK 29.4 million (-52.4), and net cash flow from investing activities negative NOK 14.5 million (-18.7). Net cash flow from financing activities was negative NOK 1.1 million (85.8). The change from 2023 is mainly due to the private placement of NOK 72.4 million in 1Q 2023 and the growth loan from Innovation Norway. Cash and cash equivalents in the parent company hence declined to NOK 86.3 million per 31 December 2024 (131.3).

RISKS AND RISK MANAGEMENT

The Group is exposed to a range of risks affecting its financial performance, including but not limited to liquidity risk, credit risk, increased tariffs, and market risks relating to changes in interest rates and foreign currency exposure. The Group seeks to minimize the potential adverse effects of such risks through sound business practices, prudent risk management, and hedging.

Risk management is a continuous process and an integrated part of the Group's business. When operating across multiple markets, Airthings is exposed to a range of risks that may affect its business. The key risk areas are discussed below.

Liquidity

The Group supervises its risk by monitoring its cash balances and working capital exposure, as well as production commitments to main contract manufacturers. The Group's liquidity position weakened during 2024. Over the last year, Airthings has strengthened its focus on optimizing business operations, reducing current and incoming inventories and collecting overdue receivables.

The Group's cash position was USD 8.8 million on 31 December 2024. The Company also has access to liquidity through a revolving credit facility (RCF) with Danske Bank. This was initially entered for USD 8 million in Q1 23, lowered to USD 6 million in Q1 24 with a further reduction to USD 5 million from February 2025. The reduction reflects the overall improved working capital situation (see note 6.2).

The Board of Directors and Management continuously monitors the Group's liquidity position through detailed cash flow forecasts covering both short-term operational needs and longer-term strategic initiatives.

The current operational plans, with Airthings targeting positive EBITDA in H2 2025 and entire 2026, are expected to be covered by the current funding. It is the Board of Directors' assessment that the liquidity risk is considered to be at a reasonable level, however, negative deviations to the current plans could give a distressed liquidity situation and the development will be monitored carefully.

Credit

The Group is mainly exposed to credit risk from its operating activities.

Airthings has a relatively high customer concentration with the two largest customers accounting for 56% of revenues. Due to this credit risk is also concentrated. However, the credit risk is considered generally low in the Consumer segment, where most sales are made to well-established and creditworthy third parties or sold directly with immediate payment. In the Business segment, the credit risk is considered to be slightly higher. The Group has strong relationships with its business customers and receivable balances are monitored on a continuous basis.

It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, including an assessment of credit rating, short-term liquidity, and financial position. Exceptions to the Group's standard credit terms must be approved by the Airthings finance department.

The Group's exposure to losses has historically been low. However, increased business outside the US and home markets may expose Airthings to different credit risk environments. The Board of Directors deems the credit risk to be at an acceptable level given the current scope of operations and outlook of the Group.

Foreign currency

The Group is exposed to currency fluctuations due to the international nature of its operations. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

A significant part of revenues and cost of goods sold are denominated in USD, with a smaller portion incurred in EUR, NOK, CAD and GBP. Most of its operating expenses are incurred in NOK. Further, the Group could potentially be negatively impacted by fluctuations in other currencies in the future. The Group does not currently hedge currency exposure with the use of financial instruments but does employ natural hedges, e.g. retaining revenues in USD to make payments to suppliers with USD as the contract currency, to the extent possible and monitors the net exposure over time.

Interest rate

The Group's borrowings have historically been exposed to interest rate fluctuations. The Group had USD 1.2 million in interest bearing debt at the end of 2024, and the Board of Directors considers the risk associated with interest rate fluctuations to be low.

Customer concentration

The Group has some major customers accounting for a significant share of the income. As a mitigating action, the Group has expanded its direct channel in the Consumer segment, onboarded new retailers, and strengthened the relationships with large Enterprises in the Business segment.

Other risks

Implementation of new tariffs

The potential implementation of additional trade tariffs by the United States could negatively impact Airthings ASA's cost structure and profit margins on products exported to the U.S. market, which represents a significant portion of the

Group's revenues. Airthings has outsourced production of its products to partners in Israel, Tunisia, Malaysia and China. Timing and levels of potential tariffs are uncertain, and management is working on mitigating activities.

Geopolitical risks

The ongoing war in the Ukraine does not impact the Group directly, as it has no operating presence in either Russia, Belarus or Ukraine. However, indirect effects such as general economic market conditions, financial market volatility, sanctions-related knock-on effects or other future responses of international governments, might have an impact on the Group's financial results and financial position. Similarly, the ongoing conflict in Israel/Gaza is not currently impacting the Group, although the Group has a very limited exposure through a contract manufacturer near Tel Aviv in Israel. The Group's management continuously monitors these situations and assesses the potential impact on the Group's financial results and financial position.

Climate risk

The Group has considered the impact of climate risks when preparing the consolidated financial statements for the year ended 31 December 2024. We have especially considered how our current valuation of assets and liabilities may be impacted by risks related to climate and weather change, waste management, manufacturing, material and sourcing risk and water consumption and innovation for a circular economy, as well as our plans to mitigate those risk factors. Especially, the Group's climate change risk analysis has identified the following:

- Higher energy price fluctuations might affect the Group's manufacturing costs in the short run
- More extreme weather might affect infrastructure, manufacturing/operations, logistics and component scarcity both in the shorter and longer run
- Potential future regulation related to improved battery usage and waste management might lead to changes in product development and manufacturing, potentially increasing manufacturing expenses in the long run

We do not believe that there is a material impact on the financial reporting judgments and estimates arising from our considerations. The valuations of our assets or liabilities have not been significantly impacted by these risks as of 31 December 2024.

CORPORATE GOVERNANCE

Airthings strives to adhere to the Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES) on 14 October 2021. A separate section of this annual report provides details on Airthings' compliance with each of the corporate governance principles as outlined in the Code.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Airthings is deeply dedicated to sustainability, working continuously to improve environmental, social, and governance practices. We work actively to reduce our environmental impact, foster an inclusive work environment, and uphold ethical business standards.

For planet

Despite significant growth in number of devices shipped, total CO2e emissions (scope 1, 2 and 3) only increased from a total of 6.238 tCO_2e in 2023 to 6.542 tCO_2e in 2024 (+5%). We do Lifecycle Analysis (LCAs) of our products to ensure good quality emissions data, and the emissions related to consumer products alone increased by 16%. Finished goods emissions account for more than 1/3 of total emissions. Related cost of sales and marketing also increased, while we saw the largest emission reductions related to use of external services such as consultants, conferences and entertainment. Over 99% of Airthings' emissions fell under scope 3 in 2024. Airthings has zero direct scope-1 emissions, and scope-2 emissions of 9.82 tCO_2e in 2024 (14.7 tCO_2e in 2023). The decrease in scope 2 emissions was related to closing down the office in Fort Worth and moving employees into a shared working space.

All Airthings' contract manufacturers comply with ISO14001 for Environmental Management Systems.

For people

Airthings has an ambition to educate millions of people about the importance of indoor air quality, and to raise awareness about its health consequences.

Airthings prioritizes employee well-being and community welfare, as demonstrated by our Human Rights: Equality, Diversity, and Inclusion Code of Conduct and a public grievance mechanism. The goal is to maintain high labor practice standards and foster diversity and inclusion. There were no issues reported related to equality, diversity and inclusion during 2024.

At the end of 2024, Airthings employed 106 employees from over 30 nationalities, with females accounting for 37% of FTEs. Airthings is actively working towards achieving balanced gender representation. Our goal is to achieve a gender ratio of >40% women across all levels and departments, ensuring equal career opportunities for everyone. Our leadership team currently consists of 2/3 rd women, and 1/3rd men, and women hold 43% of our managerial positions across the entire company. There is currently a 5% salary gap between female and male managers, which the Company is working to address. More information and equality statements can be found at www.airthings.com.

Absence due to sickness amounted to 1.8% in 2024, compared to 2.6% in 2023. During 2024, the Company updated its strategy, with a corresponding adjustment of the organisation resulting in a 20% reduction of the workforce. Following this, a series of employee pulse surveys were conducted to assess the impact in the organization, showing a high degree of engagement and trust amongst employees. There was one HSE incident reported during 2024, the same number as in 2023. The incident did not lead to any permanent injuries. During 2024, and as a result of the incident review, special attention was given to the general HSE risks in the office environment, and making sure adequate equipment is provided in case of emergency, and readily accessible with proper signage and instructions.

The Board of Directors consists of 2 men, 3 women, and 2 employee representatives (1 man and 1 woman). Airthings ASA and subsidiaries are covered by Directors and Officers liability insurance. This insurance indemnifies directors and officers for defense costs and potential legal liability arising out of claims made against them while serving on a board of directors and or as an officer. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

In 2024, Airthings has continued the work of evaluating potential risks to human rights and decent working conditions, as outlined by the Transparency Act report published in June 2024. Suppliers were classified as high, medium or low risk using factors such as the Civil Liberties Index, Human Rights Watch Report, OHCHR Report, Environmental Performance Index (EPI), and corruption country level. High-risk suppliers and main manufacturers undergo a rigorous due diligence process. Currently, 68% of High-risk important suppliers have signed Airthings Code of Conduct. Further details on supplier assessments can be found in our upcoming Transparency Act Report 2024, which will be published on https://www.airthings.com/sustainability in Q2 2025.

Our business governance

The Company is committed to transparent and ethical business practices, supported by policies and procedures against bribery and corruption. In 2024, we maintained our efforts to ensure compliance with Airthings' procurement policies, particularly in light of the introduction of new management and the restructuring of the organization. No instances of unethical practices were reported in 2024.

Airthings did not experience any data breaches or successful cyber-attacks in 2024, nor any significant disturbances in operations. There was one serious fraud attempt by a 3rd party during 2024, which was stopped by rigorous processes related to payments. Additional mechanisms have been put in place to further prevent such incidents. Airthings' Information Security Information System (ISMS) is ISO27001 certified, and the next surveillance audit will take place in March 2025. Airthings trains its employees in a range of ESG topics such as human rights, anti-bribery and anti-corruption practices and security awareness. All trainings have >95% completion rate among full-time employees.

To learn more, please refer to the 2024 Sustainability Report which will be published on https://www.airthings.com/sustainability in Q2 2025.

OUTLOOK

Airthings remains committed to deliver on its mission to empower people to breathe better and to address the negative health effects from poor indoor air quality. The Company is recognized as a global leader within indoor air quality category, with more than one million devices shipped. The Company believes the opportunities for growth are significant as the market is still in an early stage and Airthings has proven products and solutions both related to safety (radon) and wellness. In addition to launching new products, Airthings will also invest in more engaging and informative user experiences through improved software experiences.

With an updated strategy, aiming to capture the increased demand and to accelerate the time to profitability the organization has been simplified, and the Company now focuses on one, shared and customer-centric value proposition across segments. This, combined with growing awareness around the importance of indoor air quality, lays the ground for continued growth in coming years. During 2024, Airthings was able to capture significant growth in the Consumer segment, while the Business segment experienced declining revenues, but improvement in underlying momentum during the year. With gross margins slightly declining during 2024, continuing revenue growth while improving the gross margin and actively reducing fixed and variable costs will be focus in 2025. Working capital improved during 2024, with significant reduction in days of inventory. In 2025, focus will be to further improve the liquidity position by further reduction of the inventory levels in the Business segment.

Revenue growth is expected to be supported by new product and software launches in the Consumer segment, as well as stable underlying growth in the Business segment. Combined with a lower personnel cost base and margin focus, this will drive Airthings on its path to profitability.

The Board and management remain confident in the large global market opportunity and the long-term potential for Airthings.

This report contains certain forward-looking statements that involve risks and uncertainties and that reflect current views about future events and are, by their nature, subject to significant risks and uncertainties. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. You should therefore not place undue reliance on forward-looking statements.

Oslo, 26 March 2025

Geir Førre Chairman of the Board	**Aksel Lund Svindal** Board member	**Karin Berg** Board member	**Emma Tryti** CEO
Liv Dyrnes Board member	**Elizabeth Barrie** Board Member	**Tore Havsø Sæstad** Board member	**Laoise Ballance** Board member

Corporate Governance Report

Airthings considers sound corporate governance to be a prerequisite for value creation, trustworthiness, and access to capital. To secure strong and sustainable corporate governance, it is important that Airthings ensures appropriate and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations across Airthings Group.

Airthings ASA is incorporated in Norway in accordance with the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "NPLCA") and is subject to Norwegian law. The shares of Airthings are listed on Oslo Børs. As a Norwegian public limited liability company listed on Oslo Børs, Airthings complies with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Oslo Børs, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board on 14 October 2021, as amended from time to time (the "NUES Code").

The applicable governance principles in Airthings are articulated in a set of corporate governance principles which are approved by the board of directors. These apply to all of Airthings' subsidiaries as well as Airthings ASA.

The below description follows the same structure as the Code of Practice and covers all sections thereof.

1. Main objectives for the Company's corporate governance

The Board shall ensure that the Company has good corporate governance to support the achievement of the Company's core objectives on behalf of its shareholders and to create a strong, sustainable company. The Board believes that good corporate governance requires openness and cooperation between the shareholders, the Board and the Management, employees, customers, suppliers, public authorities and society in general.

The CG Policy is based on the following main objectives:

- Open, reliable and relevant communication with the outside world regarding the Company's business and matters related to corporate governance;
- Equal treatment of the Company's shareholders;
- Independence between the Board, the Management and the shareholders in order to avoid conflicts of interests;
- A clear division of work between the Board and the Management and the shareholders;
- Good control and corporate governance mechanisms in order to achieve predictability;
- Reducing the level of risk for shareholders and stakeholders.

No deviations from the Code of Practice.

2. The business of the Company

According to the Company's articles of association, its purpose is the development of products and services related to air quality and energy optimization of buildings, as well as international marketing and sale of these, investing in other companies or development of other businesses, and all that is related to the aforementioned.

The principal objectives and strategies of the Company are presented in the annual report, and on the Company's web site and are subject to annual assessments.

No deviations from the Code of Practice.

3. Equity and dividends

The Board is committed to maintaining a satisfactory equity ratio in the Company according to the Company's goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board will continuously monitor and assess the Company's capital requirements related to the Company's strategy and risk profile.

When deciding on dividends, the Company will consider the Company's financial position, investment plans as well as the needed financial flexibility for strategic growth.

The Board's general authorisations to increase the share capital and to buy own shares will not ordinarily be proposed to be granted for periods longer than until the next Annual General Meeting of the Company.

Any proposed authorizations to the Board to increase the Company's share capital shall be restricted to defined purposes and shall be dealt with as separate agenda items at the general meeting. Board authorizations shall generally be limited in time to the date of the next annual general meeting, and in any event to 30 June the same year. This also applies to any authorization to the Board for the Company to purchase own shares.

No deviations from the Code of Practice.

4. Equal treatment of shareholders and transactions with close

The shares of Airthings ASA are listed on Oslo Børs. All issued shares carry equal shareholder rights in all respects, including the right to participate and vote in General Meetings, and there are no restrictions on transfer of shares. The articles of association place no restrictions on voting rights.

No deviations from the Code of Practice.

5. Shares and negotiability

Airthings ASA shares are freely tradable and there are no restrictions on the sale and purchase of the Company's shares beyond those pursuant to Norwegian law. Each share carries one vote.

No deviations from the Code of Practice.

6. General meeting

The Board shall ensure that the Company's shareholders can participate at general meetings. Notice of the meeting shall be sent to the shareholders no later than 21 days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with sufficient detail for the shareholders to assess all the cases to be considered as well as all relevant information regarding procedures of attendance and voting, including: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the General Meeting.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that shareholders who are unable to attend in person, will be able to vote by proxy. The Chair of the Board and the CEO are present at the Annual General Meeting, and the Chair of the Nomination Committee and the auditor are normally present as well. An independent person has historically been elected to chair the Annual General Meeting.

No deviations from the Code of Practice.

7. Board composition and independency

The Board shall be composed in a way that it can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity and act independently of special interests. The majority of the shareholder-elected Board members shall be independent of the Management and significant business contacts. At least two of the members of the Board shall be independent of the Company's major shareholder(s). The Chair of the Board is elected by the general meeting. The term of office for members of the Board shall not be longer than two years at a time. Members of the Board may be re-elected for one or more new terms.

The Board of Directors currently consists of the following 7 members

Geir Førre	Chairman
Aksel Lund Svindal	Board member (independent)
Liv Dyrnes	Board member (independent)
Karin Berg	Board member (independent)
Elisabeth Berrie	Board member (independent)
Laoise Ballance	Board member (Employee representative)
Tore Havsø Sæstad	Board member (Employee representative)

An introduction to the members of the Board of Directors and their experience can be found on www.airthings.com

No deviations from the Code of Practice.

8. The work of the Board

The Board will seek to prepare annual plans for its work with special emphasis on goals, strategy and implementation. The Board's primary responsibility shall be participating in the development and approval of the Company's strategy, performing necessary monitoring functions and acting as an advisory body for the executive management team. Its duties are not static, and the focus will depend on the Company's ongoing needs.

The Board is also responsible for ensuring that the operation of the Company is compliant with the Company's values and ethical guidelines. The chair of the Board is responsible for ensuring that the Board's work is performed in an effective and correct manner. The Board is regularly briefed on the Company's financial situation.

The Board of Directors has established an Audit Committee consisting of Liv Dyrnes and Karin Berg. The function of the Audit Committee is to prepare matters to be considered by the Board and to support the Board in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control.

No deviations from the Code of Practice.

9. Risk management and internal control

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Group's business activities.

The Board shall carry out regular assessments of risk exposure, as well as an annual review of the Group's most important areas of exposure to risk and its internal control measures.

No deviations from the Code of Practice.

10. Board remuneration

The remuneration to the members of the Board shall be determined by the annual general meeting each year. The Board's remuneration shall reflect the Board's responsibility, expertise, use of time and the complexity of the Company's business activities. Remuneration shall not be dependent on or linked to the Company's performance, and no options shall be issued to the members of the Board.

Airthings AS issued options to Board member Aksel Lund Svindal 1 April 2019. This was prior to the Company becoming a listed company and before this policy was incorporated. Aksel Lund Svindal currently holds 100 000 options at a strike price of 3.36. No options have been issued to the members of the Board after Airthings ASA became a listed company and this policy was approved.

No deviations from the Code of Practice.

11. Management remuneration

The Board of Directors has established a Remuneration Committee (RemCom) consisting of Geir Førre and Aksel Lund Svindal. The Board members, who are all independent of the Company's executive management, decide the CEO's salary and other compensation, after recommendation from the RemCom. The CEO's salary and bonus shall be determined on the basis of an evaluation by selected members of the Board, with emphasis on the CEO's and the Company's overall performance. Any fringe benefits shall be in line with market practice and should normally not be substantial in relation to the CEO's basic salary. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

No deviations from the Code of Practice.

12. Information and communications

The Company shall at all times provide its shareholders, Oslo Børs and the financial market in general with timely and precise information. Such information will be given in the form of annual reports, quarterly reports, press releases,stock exchange announcements and investor presentations. The Company's report on corporate social responsibility shall be integrated in the annual report.

No deviations from the Code of Practice.

13. Take overs

In the event of a take-over process, the Board has a duty to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board will also ensure that the shareholders have sufficient information and time to assess the offer. In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance.

No deviations from the Code of Practice.

14. Auditor

Each year, the auditor shall present to the Board a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity. The auditor shall participate in Board meetings dealing with the annual accounts.

At the annual general meeting and/or in the annual financial statements, the Board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other concrete assignments.

No deviations from the Code of Practice.

Statement of the Board of Directors and CEO

Responsibility Statement

The Chief Executive Officer and the Board of Directors confirm, to the best of our knowledge, that the financial statements for 2024 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU. with additional information as required by the Accounting Act, and give a true and fair view of the Group's Consolidated financial statements and the Group's assets, liabilities, financial position, and results of the operations.

We also confirm that the report by the Board of Directors provides a fair overview of the parent company and the Group and its development, financial results, and position, and describes the Group's key risks and uncertainties.

Oslo, 26 March 2025

Geir Førre Chairman of the Board	**Aksel Lund Svindal** Board member	**Karin Berg** Board member	**Emma Tryti** CEO
Liv Dyrnes Board member	**Elizabeth Barrie** Board Member	**Tore Havsø Sæstad** Board member	**Laoise Ballance** Board member

Shareholder information

Airthings' objective is to provide strong value creation and positive long-term returns to the Company's shareholders. The Company plans to achieve this by delivering on an ambitious business plan, and through precise, timely and relevant communication that enable investors to evaluate the Company's current status, the prospects for profitable growth, and the inherent operational and financial risks.

Investor relations

Clear and accurate communication with investors and analysts, both in Norway and internationally, is a high priority for Airthings. A key objective for the Company is to ensure that investors, potential investors, other stakeholders, and the market in general have simultaneous access to accurate, clear, relevant, and up-to-date information about Airthings. To facilitate this, the Group will hold quarterly presentations of its quarterly results, with attendance from senior management. These presentations will be open to the investor community, media, and the public at large, and will also be made available online. All investor relation activities are conducted in compliance with applicable rules, regulations, and recommended practices.

Devoted to good Corporate Governance

Airthings considers sound corporate governance to be a prerequisite for sustainable value creation and trustworthiness, and for access to capital at a fair cost of capital.

Airthings' stakeholders should demand that the Company follows healthy business practices and ethical business conduct, operates in compliance with all relevant legislation and regulations across the Group, and presents reliable financial reporting.

Airthings Board-approved governance regime maintains governance documents describing the principles for its business conduct, which applies to all of Airthings' subsidiaries as well as Airthings itself.

Employee Share Program

Airthings believes its employees should be given the opportunity to participate in the value creation and has established a share-based payment program in which all employees are granted share options upon employment. For further details, please see note 6.8.

Share capital

On 31 December 2024, the share capital in the Company amounted to NOK 1 977 584.46, distributed across 197 758 446 shares with a nominal value of NOK 0.01 per share. Airthings has one class of shares, with each share carrying one vote. Firda AS was the largest shareholder with 57 213 289, or 28.9%, of the share capital at the end of 2024.

Shareholders' Authorization to the Board to Increase Share Capital in the Group

On 6 June 2024 the Annual General Meeting (AGM) gave the board of directors three separate authorizations to increase share capital; up to NOK 395 516 in connection with investments general purposes and transactions (NOK 395 516 remains), up to NOK 138 430 in connection with a new incentive program and current granted options (NOK 138 430 remains), and up to an aggregate nominal value of NOK 197 758 to acquire treasury shares (NOK 197 758 remains). All above authorizations are valid until the Airthings AGM in 2025, however, no longer than until 30 June 2025.

Shareholder	Shares	Ownership
Firda AS	57,213,289	28.9%
Holmen Spesialfond	12,461,025	6.3%
Victoria India Fund AS	5,901,881	3.0%
Rabakken Invest AS	5,800,364	2.9%
Atlas Invest AS	5,637,468	2.9%
Wøien, Halvor	4,894,522	2.5%
Bolle, Erlend Peter Johnsen	4,819,722	2.4%
Verdipapirfondet KLP Aksjenorge	4,462,222	2.3%
Yoshioka, Koki	4,166,650	2.1%
Brownske Bevegelser AS	3,500,000	1.8%
Other	88,901,303	45.0%
Total shares	**197,758,446**	**100.0%**

Analyst coverage		
ABG	Øystein Lodgaard	+47 22 01 60 26
Arctic Securities	Kristian Spetalen	+47 22 93 72 28
Carnegie	Eirik Rafdal	+47 22 00 93 78
DNB	Christoffer Wang Bjørnsen	+47 24 16 91 43

Ownership structure — Number of shares held	Number of shareholders	Number of shares	Proportion of share capital
1—1,000	1,142	410,067	0.2%
1,001—10,000	889	3,611,114	1.8%
10,001—100,000	418	13,600,861	6.9%
100,001—500,000	103	22,734,695	11.5%
500,001— 500,001<	42	157,401,709	79.6%
Total	**2,594**	**197,758,446**	**100.0%**

AIRTHINGS

Airthings Financials

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Consolidated statement of profit or loss

For the years ended 31 December			
Amounts in USD 1,000	**Notes**	**2024**	**2023**
Revenues	2.2	38,496	36,592
Total revenues		**38,496**	**36,592**
Cost of goods sold	2.3	16,842	14,302
Employee benefit expenses	2.4, 2.5	14,681	15,090
Other operating expenses	2.4, 2.5	16,035	14,033
Operating profit or loss before depreciation and amortization (EBITDA)		**-9,062**	**-6,832**
Depreciation and amortization	2.7	2,021	1,517
Impairment	5.1	2,635	0
Operating profit or loss (EBIT)		**-13,718**	**-8,349**
Finance income	2.8	2,167	660
Finance costs	2.8	471	341
Net financial items		**1,695**	**320**
Profit (loss) before tax		**-12,023**	**-8,030**
Income tax expense	2.9	5,668	-1,772
Profit (loss) for the year		**-17,690**	**-6,258**
Profit (loss) for the year attributable to:			
Equity holders of the parent company		-17,690	-6,258
Earnings per share:			
Basic earnings per share	6.9	-0.09	-0.03
Diluted earnings per share	6.9	-0.09	-0.03

Consolidated statement of comprehensive income

For the years ended 31 December		
Amounts in USD 1,000	**2024**	**2023**
Profit (loss) for the year	**-17,690**	**-6,258**
Other comprehensive income:		
Items that subsequently will not be reclassified to profit or loss:		
Exchange differences on translation of parent company	-4,280	-1,838
Total items that may be reclassified to profit or loss	**-4,280**	**-1,838**
Items that subsequently may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	-23	-3
Total items that may be reclassified to profit or loss	**-23**	**-3**
Other comprehensive profit (loss) for the year	**-4,303**	**-1,841**
Total comprehensive profit (loss) for the year	**-21,993**	**-8,099**
Total comprehensive profit (loss) attributable to:		
Equity holders of the parent company	-21,993	-8,099

Consolidated statement of financial position

Amounts in USD 1,000	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Intangible assets	5.1	3,383	3,610
Goodwill	5.1, 5.2	0	2,783
Property, plant and equipment	5.3	411	639
Right-of-use assets	5.4	1,569	2,520
Deferred tax assets	2.9	2,690	8,849
Other non-current assets	3.5, 6.8	53	111
Total non-current assets		**8,104**	**18,510**
Current assets			
Inventories	3.1	10,481	15,320
Trade receivables	3.2	10,766	11,175
Other receivables	2.6, 3.2	4,702	5,096
Cash and cash equivalents	6.6	8,834	14,553
Total current assets		**34,783**	**46,143**
TOTAL ASSETS		**42,888**	**64,653**

Consolidated statement of financial position

EQUITY AND LIABILITIES	Notes	31.12.2024	31.12.2023
Equity			
Share capital	6.7	215	215
Share premium		86,383	86,383
Other capital reserves		2,532	2,359
Other equity		-60,687	-38,694
Total equity		**28,443**	**50,264**
Non-current liabilities			
Non-current interest-bearing liabilities	6.2	1,171	1,376
Non-current lease liabilities	5.4	1,003	1,903
Other non-current liabilities	3.5	48	108
Total non-current liabilities		**2,223**	**3,388**
Current liabilities			
Current interest-bearing liabilities	6.2	62	0
Current lease liabilities	5.4	770	885
Trade and other payables	3.4	8,044	6,526
Contract liabilities	3.3	1,546	1,368
Income tax payable	2.9	0	73
Other current liabilities	3.5	1,801	2,150
Total current liabilities		**12,221**	**11,001**
Total liabilities		**14,444**	**14,389**
TOTAL EQUITY AND LIABILITIES		**42,888**	**64,653**

Oslo, 26 March 2025

Geir Førre
Chairman of the Board

Aksel Lund Svindal
Board member

Karin Berg
Board member

Emma Tryti
CEO

Liv Dyrnes
Board member

Elizabeth Barrie
Board Member

Tore Havsø Sæstad
Board member

Laoise Ballance
Board member

Consolidated statement of cash flows

For the years ended 31 December			
Amounts in USD 1,000	**Notes**	**2024**	**2023**
Cash flows from operating activities			
Profit (loss) before tax		**-12,023**	**-8,030**
Adjustments to reconcile profit before tax to net cash flows:			
Net financial items	2.8	-1,695	-320
Depreciation, amortization and impairment	2.7, 5.1	4,656	1,517
Share-based payment expense	6.8	173	292
Working capital adjustments:			
Changes in inventories	3.1	4,839	3,394
Changes in trade and other receivables	3.2	802	-1,057
Changes in trade and other payables and contract liabilities	3.3, 3.4	1,696	606
Changes in other liabilities	3.5	-409	194
Net cash flows from operating activities		**-1,961**	**-3,403**
Cash flows from investing activities			
Development expenditures	5.1	-1,182	-1,678
Purchase of property, plant and equipment	5.3	-73	-92
Interest received	2.8	335	395
Net cash flow from investing activities		**-920**	**-1,375**
Cash flow from financing activities			
Proceeds from issuance of equity	6.7	0	7,143
Proceeds of interest-bearing liabilities	6.7	0	1,300
Payments for the principal portion of the lease liability	5.4	-730	-724
Payments for the interest portion of the lease liability	5.4	-118	-159
Interest paid	2.8	-103	-52
Net cash flows from financing activities		**-951**	**7,508**
Net increase/(decrease) in cash and cash equivalents		**-3,831**	**2,730**
Cash and cash equivalents at 1 January		14,553	13,274
Net foreign exchange difference		-1,887	-1,452
Cash and cash equivalents at 31 December		**8,834**	**14,553**

Consolidated statement of changes in equity

Amounts in USD 1,000	Share capital	Share premium	Other capital reserves*	Other Equity Cumulative translation differences	Retained earnings	Total equity
Equity at as 1 January 2023	**192**	**78,979**	**2,068**	**-5,062**	**-25,248**	**50,928**
Profit (loss) for the year					-6,258	-6,258
Other comprehensive profit (loss)				-1,841		-1,841
Total comprehensive profit (loss)	**-**	**-**	**-**	**-1,841**	**-6,258**	**-8,099**
Capital increase (Note 6.7)	23	7,404				7,428
Transaction costs					-285	-285
Share-based payments (Note 6.8)			292			292
Equity as at 31 December 2023	**215**	**86,383**	**2,359**	**-6,903**	**-31,791**	**50,264**
Profit (loss) for the year					-17,690	-17,690
Other comprehensive profit (loss)				-4,303		-4,303
Total comprehensive profit (loss)	**-**	**-**	**-**	**-4,303**	**-17,690**	**-21,993**
Share-based payments (Note 6.8)			173			173
Equity as at 31 December 2024	**215**	**86,383**	**2,532**	**-11,206**	**-49,481**	**28,443**

* The cost of equity-settled share based payments is recognized as an employee benefits expense, with a corresponding increase in other capital reserves, over the vesting period (see note 6.8).

Section 1 - General information and accounting policies

1.1 Corporate information

Airthings ASA ('the Company') is a publicly listed company on Oslo Stock Exchange, with the ticker symbol AIRX. Airthings ASA is incorporated and domiciled in Norway with principal offices located at Wergelandsveien 7, 0167 Oslo, Norway.

Airthings and its subsidiaries (collectively "the Group", or "Airthings") develop and produces solutions for monitoring indoor air quality, radon, and energy efficiency. The Group sells its products and solutions to consumers and businesses around the world.

The consolidated financial statements of the Group for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 26 March 2025.

1.2 Basis of preparation

The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and related notes.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by The European Union ("EU"). The consolidated financial statements have been prepared on a historical cost basis, the Company has no assets or liabilities valued at fair value. All figures are presented in USD thousands (1,000), except when otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period. Further, the consolidated financial statements are prepared based on the going concern assumption.

Presentation currency and functional currency

The consolidated financial statements are presented in United States dollar ("USD"). Airthings ASA has Norwegian krone ("NOK") as its functional currency and its subsidiaries have SEK or USD as their functional currencies. The Group presents its consolidated financial statements in USD to provide the primary users of the financial statements with more convenient information.

Climate risk

The Group has considered the impact of climate risks when preparing the consolidated financial statements for the year ended 31 December 2024. We have especially considered how our current valuation of assets and liabilities may be impacted by risks related to climate and weather change, waste management, manufacturing, material and sourcing risk and water consumption and innovation for a circular economy, as well as our plans to mitigate those risk factors. Especially, the Group's climate change risk analysis has identified the following:

- Higher energy price fluctuations might affect the Group's manufacturing costs in the short run
- More extreme weather might affect infrastructure, manufacturing/operations, logistics and component scarcity both in the shorter and longer run
- Potential future regulation related to improved battery usage and waste management might lead to changes in product development and manufacturing, potentially increasing manufacturing expenses in the long run

We do however not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 31 December 2024.

In coming to this conclusion we have reviewed each line item in the statement of financial position and identified those line items that could have the potential to be significantly impacted by climate-related risks and our plans to mitigate against these risks. Those line items that have the potential to be significantly impacted are those taken into consideration forward looking information. Those items have then been reviewed in detail to confirm:

- that the growth rates and projected cash flows used in our goodwill impairment assessments and for considerations related to recognition of deferred tax assets are consistent with our climate related risk assumptions
- Useful life of our intangible assets are appropriate given the risk of future regulation and change in consumer behavior potentially requiring us to change our development processes
- that the assumptions used when considering impairment of our inventories take into consideration our climate related risk assessments

1.3 General accounting principles

Airthings has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. A summary of the Group's general accounting policies not disclosed in the notes, are presented below:

Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method.

New and amended standards adopted by the Group

There have not been any new or amended IFRS standards introduced in 2024 that have had material effects to the Group in 2024. The Group has not made any voluntary accounting policy changes in 2024.

Standards issued but not yet effective

The Group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. The Group intends to adopt new and amended standards and interpretations, if relevant, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 Presentation and disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements. IFRS 18 expands on the foundation laid by IAS 1, keeping many sections with some modifications. However, it introduces new requirements for presentation within the statement of profit or loss, which includes introduction of specified totals and subtotals, and the entities are required to categorizes income and expenses into one of five required categories: operating, investing, financing, income taxes and discontinued operations.

Furthermore, IFRS 18 also requires disclosure of newly defined management-defined performance measures and new requirements for aggregation and disaggregation of financial information, to reference similar and dissimilar characteristics in the financial statements and notes.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and the Group is currently working to identify impacts the amendments will have on the financial statements and notes.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgments that may have the most significant effect on the amounts recognized in the financial statements, are summarized below:

Estimates and assumptions:

- Recognition and measurement of deferred tax assets (note 2.9)
- Value of inventory (note 3.1)
- Value in use calculations in relation to impairment testing of goodwill (note 5.2)

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Section 2 — Operating segments and profit or loss items

2.1 Operating segments

For management purposes, the Group is organized into business areas based on its different markets and has three reportable segments, as follows:

- Consumer – sale of air quality sensors to private customers through retailers and e-commerce.
- Business – sale of air quality solutions to schools, office buildings, and other commercial buildings.
- Professional – sale of measurement solutions which enables inspectors and certified radon professionals to accurately measure, analyze and report on buildings. The professional segment also offers rental of products and calibration services.

No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated by the Board of Directors based on EBITDA and is measured consistently with operating profit or loss before depreciation and amortization as reported under IFRS. The Group's financing (including finance costs and finance income), depreciation and amortization and income taxes are managed on a Group basis and are not allocated to operating segments as underlying assets are managed on a Group basis.

Group functions and adjustments/eliminations

The remaining of the Group's activities and business are shown in the "Group functions" column in the tables below. These activities mainly relate to R&D, marketing, and administrative functions of the Group.

Assets and liabilities by reporting segment is not included in management reporting and is therefore not disclosed separately within the operating segments.

Year ended 31 December 2024 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
REVENUES & PROFIT					
External customers	30,187	6,312	1,996	-	38,496
Total revenue	**30,187**	**6,312**	**1,996**	**-**	**38,496**
Cost of goods sold	14,771	1,807	265	-	16,842
Employee benefit expenses	1,706	3,302	330	9,343	14,681
Other operating expenses	8,326	705	478	6,525	16,035
EBITDA	**5,384**	**499**	**923**	**-15,868**	**-9,062**

Year ended 31 December 2023 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
REVENUES & PROFIT					
External customers	24,773	9,673	2,145	-	36,592
Total revenue	**24,773**	**9,673**	**2,145**	**-**	**36,592**
Cost of goods sold	10,735	3,242	325	-	14,302
Employee benefit expenses	1,667	3,878	290	9,255	15,090
Other operating expenses	6,178	957	590	6,308	14,033
EBITDA	**6,193**	**1,597**	**941**	**-15,563**	**-6,832**

Major customers

In 2024 the largest customer of the Group accounted for 32% (2023: 34%) of consolidated revenues, mainly allocated to the consumer segment. The second largest customer accounted for 24% of consolidated revenues in 2024 (2023: 13%), also mainly allocated to the consumer segment. The Group does not have any other customers that represents more than 10% of the Group's revenue.

Geographical disaggregation

Reference is made to note 2.2 Revenue for information on the Group's geographical markets.

Non-current operating assets (USD 1,000)	2024	2023
Located in Norway	5,202	6,251
Located in foreign countries	160	517
Total	**5,362**	**6,768**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, and intangible assets.

2.2 Revenue

Airthings is a manufacturer of air quality sensors and related software products for air quality, radon measurement and energy efficiency solutions. The Group's revenue from contracts with customers is reported in three main segments as described in note 2.1: Consumer, Business and Professional.

To the private customer, Airthings is selling sensors for monitoring air quality and radon in private homes, through distributors/resellers and Airthings.com.

Airthings for Business is the Group's B2B segment, selling solutions to schools, office buildings, and other commercial buildings. For the business segment, the Customer can choose to buy an extensively more advanced software (a SaaS – solution) than the one offered to consumers. Airthings provides significant support and upgrades through the cloud-based SaaS subscription. If the customer decides to cancel their subscription after the initial contract term, they will still keep their device and can continue to use them without the software. The customer may also reorder the subscription at a later stage.

ACCOUNTING POLICIES

Identifying Performance obligation

In the consumer segment, sales generally consist of the provision of air quality monitors with additional apps that can be downloaded for free, providing display features etc. Such arrangements are generally regarded as two performance obligations; i.e. the air quality monitor and the software/app. However, the relative stand-alone selling price for the app is considered insignificant, and revenue is only allocated to the sale of air quality monitors.

Within the business segment, revenue is generally considered to consist of two performance obligations: sale of devices (hardware) and sale of SaaS-services. The revenue is allocated based on the relative stand-alone selling prices.

Revenue streams

Sale of air quality sensors

Some of the Group's contracts for the sale of air quality sensors are with distributors/ resellers which are not the end-users. The distributors control the goods before these are sold to the end-customer, i.e., the distributors act as principals. As such, the Group recognizes revenue from sale of air quality sensors to the distributors on a gross basis upon delivery to the distributors. The payment terms normally range from 30 to 90 days.

Revenue from sale of air quality sensors through Airthings.com is recognized when the sensor is delivered to the customer.

Consideration payable to a customer

Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to a customer. The Group's contracts involve in certain cases consideration payable to distributors related to various services. This includes marketing initiatives (such as in-store promotions and sponsored links to products) campaigns (sale of air quality sensors at a reduced price to end customers during a promotional period), and damage allowance (consideration to cover the distributor's returns and disposals from the end customers) among others. The consideration for marketing initiatives and campaigns is accounted for as a reduction of the transaction price and is recognized at the same time as the revenue from sale of the related air quality sensors. Damage allowance, corresponding to actual estimated normal assurance type warranty costs of own products, are accounted for as operating expenses, as long as the cost/provision can be reasonably estimated. In addition, arrangements where the Group obtains distinct services from distributor that are independent of the Group's sales to the distributor on the other hand, such as specific marketing services and other vendor services, are accounted for as operating expenses in line with the regular purchase of services.

The consideration is estimated when the sale occurs (based on the expected value of sales to the customer) and recognized as other liabilities (refer to note 3.5).

Sale of Software as a service ("SaaS")

Many of the Group's air quality sensors have a SaaS/an app availability. In the business segment, the air quality sensor is linked to a SaaS subscription which is paid upfront. In addition to connecting the devices together and providing significant features of tracking and comparing the air quality in the building, the Group also provides significant support and upgrades throughout the subscription period. The prepaid annual subscription fee is recognized on a straight-line basis over the subscription period to reflect the transfer of control to the customer.

Contract liabilities

Contract liabilities mainly relate to remuneration received in advance for SaaS subscriptions. Refer to note 3.3 for further description of the Group's contract liabilities.

Sale of calibration services

Revenue from sale of calibration services in the professional market is recognized at a fixed price when the service is performed.

Rental income

Rental income is derived from rental of equipment, such as Corentium Pro, in the professional segment. Rental income is accounted for on a straight-line basis over the lease term and is presented as revenues in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Set out below is the disaggregation of the Group's total revenues:

Revenues (USD 1,000)	2024	2023
Revenue from contracts with customers	38,134	36,185
Rental income	362	407
Total revenues	**38,496**	**36,592**

Set out below is the geographical disaggregation of the Group's revenue from contracts with customers:

Geographical information (USD 1,000)	2024	2023
EMEA	7,129	7,961
North America (USA and Canada)	31,005	28,224
Total revenue from contracts with customers	**38,134**	**36,185**

The information above is based on the location of the customers.

Timing of revenue recognition (USD 1,000)	2024	2023
Goods transferred at a point in time	34,325	32,941
Subscription and services transferred over time	3,809	3,244
Total revenue from contracts with customers	**38,134**	**36,185**

The transaction price allocated to the remaining performance obligations from signed contracts with customers (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

(USD 1,000)	2024	2023
Within one year	937	1,044
More than one year	610	324
Total	**1,546**	**1,368**

The table above does not include remaining performance obligations that are part of contracts with an original duration of one year or less. The remaining performance obligations expected to be recognized in more than one year relate to the delivery of software services (Saas).

Buyback of inventory

In Q4 2024, Airthings received a notification from a customer about a buyback of remaining units in stock due to defective batteries in a product. As such, a revenue reduction of USD 0.9 million has been recognised with a corresponding refund liability.

2.3 Cost of goods sold

Cost of goods sold are directly related to creating the products that generate revenue for Airthings. The costs include changes in inventory and write-off, direct costs such as raw materials and consumables used, and other costs which includes freight and customs, packaging and external services.

Cost of goods sold (USD 1,000)	2024	2023
Changes in inventories of finished goods and work in progress	3,429	2,710
Raw materials and consumables used	12,200	10,732
Inventory write down	303	29
Other	910	831
Total	**16,842**	**14,302**

2.4 Employee benefit expenses

Employee benefit expenses comprise all types of remuneration to personnel employed by the Group and are expensed when earned. Ordinary salary can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pensions contributions are earned on a monthly basis. Share-based payment expenses are related to the Group's share option program (see note 6.8). For information on remuneration to Management and the Board of Directors, including disclosures on shares and share options held, see note 7.1.

Pensions

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Employee benefit expenses (USD 1,000)	2024	2023
Salaries	11,892	12,122
Social security costs	1,703	1,807
Pension costs	579	567
Share-based payment expenses	173	292
Other employee expenses	334	303
Total other operating expenses	**14,681**	**15,090**
Average number of full time employees (FTEs)	102	117

2.5 Other operating expenses

Other operating expenses are recognized when they occur and represent a broad range of operating expenses incurred by the Group in its day-to-day activities. Other operating expenses consist of expenses that are not classified on the lines for cost of materials, employee benefit expenses, depreciation and amortization, impairment and income tax expense.

Other operating expenses (USD 1,000)	2024	2023
Marketing	5,848	5,109
External services	3,640	3,404
Freight	2,379	1,572
Offices	1,352	1,304
Software	1,326	1,147
Other operating expenses	1,489	1,498
Total other operating expenses	**16,035**	**14,033**

The table below illustrates the Group's employee benefit expenses and other operating expenses by function.

Operating expenses (USD 1,000)	2024	2023
Sales and marketing	18,599	17,706
Research and development	6,552	6,496
General and administrative	5,564	4,921
Total operating expenses	**30,716**	**29,123**

The amounts above are excluding VAT.

Total research and development expenses for 2024 were USD 6.55 million (net of cost reduction from Innovation Norway and SkatteFUNN, refer to note 2.6), recognized as employee benefit expenses and other operating expenses in the consolidated statement of profit or loss. For 2023 total research and development expenses were USD 6.5 million (net of cost reduction from SkatteFUNN, refer to note 2.6).

Remuneration to the auditor (USD 1,000)	2024	2023
Statutory audit fee	163	144
Tax advisory and other services	5	9
Total remuneration to the auditor	**168**	**153**

The amounts above are excluding VAT.

2.6 Government grants

Grant from Innovation Norway

In 2023, Airthings ASA received funds from Innovation Norway related to a R&D project with final reporting 31 March 2025. A maximum grant of 17.0 MNOK and a growth loan of maximum 24 MNOK were awarded to the Company. The Company received 5.1 MNOK of the grant and 14.0 MNOK of the growth loan in a first installment of the funding. The grants related to expenses are presented on an net basis as a cost reduction. The grants related to an asset are recognised as a reduction of the asset. The Company will in 2025 start to repay the growth loan of 14 MNOK in accordance with the agreed repayment plan of 7 years.

First scheduled repayment is expected to be in October 2025 (see note 6.2).
In connection with termination of a R&D project, the Group will also repay 0.4 MNOK of the grant of 5.1 MNOK in 2025. This amount is presented as other current liabilities.

SkatteFUNN

In 2023, Airthings ASA received a three-year SkatteFUNN grant from the Norwegian Research Council (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry). SkatteFUNN related to expenses is presented on a net basis as a cost reduction. The grants related to an asset are recognised as reductions of the asset.

Government grants in the consolidated statement of comprehensive income:

Grants (USD 1,000)	Line item	2024	2023
Grant from Innovation Norway	Other operating expenses	149	119
Grant from SkatteFUNN A	Employee benefit expenses	235	148
Grant from SkatteFUNN B	Other operating expenses	83	52
Total government grants recognized		**467**	**319**

Government grants in the consolidated statement of financial position:

Grants (USD 1,000)	Line item	2024	2023
Grant from Innovation Norway	Other current liabilities	-35	-283
Grant from SkatteFUNN	Other receivables	418	467

2.7 Depreciation and amortization

Depreciation and amortization expenses (USD 1,000)	Note	2024	2023
Depreciation of property, plant and equipment	5.3	387	306
Depreciation of right-of-use assets	5.4	705	735
Amortization of intangible assets	5.1	929	475
Total depreciation and amortization expenses		**2,021**	**1,517**

2.8 Finance income and costs

ACCOUNTING POLICIES

Foreign currency gains or losses are reported as foreign exchange gain or foreign exchange loss in finance income or finance costs, except for currency translation effects from translation of foreign subsidiaries and the parent company which are presented within OCI. For other accounting policies related to the underlying financial instruments, reference is made to note 6.1

Finance income (USD 1,000)	2024	2023
Interest income	352	405
Net foreign exchange gain	1,815	256
Total finance income	**2,167**	**660**

Finance costs (USD 1,000)	2024	2023
Interest expenses	104	56
Interest expense on lease liabilities	118	159
Other finance costs	249	125
Total finance costs	**471**	**341**

Interest income represents mainly interest income on cash deposits, and interest expenses represent mainly interest expenses on lease liabilities, measured and classified at amortized cost in the consolidated statement of financial position, and interest expense on growth loan from Innovation Norway.

Other finance costs represents facility fee related to the RCF with Danske Bank.

Foreign exchange (USD 1,000)	2024	2023
Foreign exchange gain	6,465	5,095
Foreign exchange loss	4,650	4,840
Net foreign exchange gain (loss)	**1,815**	**256**

2.9 Income tax

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. When assessing the probability of utilizing tax losses, the Group considers factors such as

- Future budgets and probability of utilizing tax losses in coming years
- Historical performance and forecast accuracy
- Whether historical losses are caused by reasons unlikely to occur in the future
- Tax planning opportunities

During 2024, the Group updated its strategy ("OneAirthings") and revised the long-term growth plan during Q4 2024. Following the review, the Group expects that it will take a couple of more years before the historical tax losses will be fully utilized. The Group is recognizing deferred tax assets arising from tax losses it expects that will be utilized within the coming 4 years. IFRS requires that when an entity has a history of recent losses, deferred tax assets shall only be recognised when there is convincing other evidence supporting recognition, and the Group considers that emphasis should not be put on estimated profits longer into the future than four years. This resulted in partial impairment of the deferred tax assets of USD 6.6 million recognized in Q4 2024. Remaining deferred tax asset reconized in the balance sheet, which management believes it is probable that will be utilized within the next 4 years, amounts to USD 2.7 million.

Current income tax expense (USD 1,000)	2024	2023
Tax payable	132	116
Change deferred tax/deferred tax assets (ex. OCI effects)	5,536	-1,888
Total income tax expense	**5,668**	**-1,772**

Deferred tax assets (USD 1,000)	31.12.2024	31.12.2023
Property, plant and equipment	-513	795
Right-of-use assets (net amount)	-	-15
Other current assets	-529	-466
Merger	350	-928
Losses carried forward (including tax credit)	-42,636	-38,041
Other	-1,815	-1,565
Basis for deferred tax assets	**-45,143**	**-40,221**
Calculated deferred tax assets	9,931	8,849
Deferred tax assets not recognized	-7,242	-
Net deferred tax assets in the statement of financial position	**2,690**	**8,849**

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 20.6% to 22%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the Group. The effect from the statutory income tax rates from other countries (Sweden and the USA) on the Group tax rate is very limited as the main operations are in Norway. The average tax rate for the Group's deferred tax assets is 22% for both 31.12.2024 and 31.12.2023.

A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense (USD 1,000)	2024	2023
Profit or loss before tax	**-12,023**	**-8,030**
Tax expense 22% (Norwegian tax rate)	-2,645	-1,767
Change to prior period tax expense	110	37
Permanent differences*	-57	-51
Effects of foreign tax rates	1	8
Effect of not recognizing deferred tax assets	8,260	-
Recognized income tax expense	**5,667**	**-1,772**

* The permanent differences are related to SkatteFUNN, options and other non-deductible costs among the Group's entities.

Section 3 — Other operating activities

3.1 Inventories

ACCOUNTING POLICIES

Inventories are valued at the lower of cost and net realizable value. Inventory costs comprise cost of goods sold, impairment, and obsolete goods.

- Finished goods: stock keeping units that are sold to customers. Purchase cost on a first-in/first-out basis (FIFO)
- Components: sensors and other critical items that are utilized in production. Includes cost of direct materials, packaging and a proportion of manufacturing overheads based on the normal operating capacity.

Inventories (USD 1,000)	31.12.2024	31.12.2023
Finished goods	6,671	8,737
Sensors and components	3,810	6,583
Total inventories at the lower of cost and net realizable value	**10,481**	**15,320**

In 2024, the Group recognized a full write-down of USD 303 thousands related to two products categorized as finished goods (USD 31 thousands in 2023). There were no reversal of write-down of components or finished goods in the periods presented.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Value of inventories

The valuation of inventory at net realizable value involves judgement made by management. The inventory is reviewed periodically to secure that the book value of stock is greater than its net realizable value. Write-downs are made for obsolete items based on assessment of the age distribution of inventory items and whether the items are part of an active or expired product range.

3.2 Trade and other receivables

Trade and other receivables

The Group's trade receivables consist solely of amounts receivable from revenue contracts with customers. Other receivables consist mainly of prepaid expenses and government grant receivables. Trade and other receivables are financial assets initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

Expected credit losses

The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance. The provision matrix is initially based on the Group's historical observed default rates. The matrix will be calibrated to adjust the historical credit loss experience with forward-looking information.

Trade receivables (USD 1,000)	31.12.2024	31.12.2023
Trade receivables from customers at nominal value	11,008	11,611
Allowance for expected credit losses	242	436
Total trade receivables	**10,766**	**11,175**

Other receivables (USD 1,000)	31.12.2024	31.12.2023
Prepaid expenses	3,715	3,943
Government grants	418	467
Related parties	-4	-
Other	573	686
Total other receivables	**4,702**	**5,096**

As at 31 December the ageing analysis of trade receivables is, as follows:

		Trade receivables			
Ageing analysis of trade receivables (USD 1,000)	Not due	< 30 days	31-60 days	> 60 days	Total
Trade receivables at 31.12.2024	6,950	637	383	2,796	**10,766**
Trade receivables at 31.12.2023	6,983	1,072	380	2,740	**11,175**

Risk related to the USD 3.8 million overdue trade receivables is partly mitigated through close and long-term co-operation with the customer accounting for the largest overdue amount and the high credit scores of the relevant customers. For details regarding the Group's procedures in managing credit risk, see note 6.4.

3.3 Contract liabilities

The Group's contract liabilities relate to prepayments for SaaS subscriptions which are normally paid 12 months in advance. As such, the balance of account at the end of the year represents the Group's deferred revenue related to performance obligations that will be satisfied within one year. The Group's contract liabilities are presented in the table below:

Contract liabilities (USD 1,000)	31.12.2024	31.12.2023
Amount included at the beginning of the period	**1,368**	**1,111**
Addition of new contract liabilities	2,352	1,665
Performance obligations recognized in the period	-2,174	-1,409
Total contract liabilities	**1,546**	**1,368**

3.4 Trade and other payables

Trade and other payables (USD 1,000)	31.12.2024	31.12.2023
Trade payables	3,946	3,637
Withholding payroll taxes and social security	800	921
Other payables	3,298	1,967
Total trade and other payables	**8,044**	**6,526**

3.5 Other liabilities

The Group classifies other liabilities in the following categories:

- Salary related costs: contains other liabilities for accrued bonuses and other salary related accruals.
- Social security for share-based payments: contains other liabilities for the accrued social security on share options and restrictive share units which will be paid when the options are exercised. As part of the share-based payment program, employees are required to compensate the Group for social security taxes payable upon exercise. Hence, a corresponding receivable has been recognized as other non-current assets in the balance sheet.
- Consideration payable to a customer: contains other liabilities for accrued consideration to a customer.
- Liabilities on government grants: contains other liabilities related to government grants from Innovation Norway, which are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Reconciliation of other liabilities:

(USD 1,000)	Salary related costs	Social security for share-based payments	Liabilities on government grants	Total
At 1 January 2023	**1,938**	**125**	**0**	**2,063**
Additions	1,867	-6	283	**2,144**
Amounts used	-1,938	-7	-	**-1,945**
Unused amounts reversed	-	0	-	**0**
Currency translation effects	-	-4	-	**-4**
At 31 December 2023	**1,867**	**108**	**283**	**2,257**
Other current liabilities				**2,150**
Other non-current liabilities				**108**
At 1 January 2024	**1,867**	**108**	**0**	**1,975**
Additions	1,772	-51	35	**1,756**
Amounts used	-1,867	-	-	**-1,867**
Unused amounts reversed	-	-2	-	**-2**
Currency translation effects	-7	-7	-	**-14**
At 31 December 2024	**1,765**	**48**	**35**	**1,849**
Other current liabilities				**1,801**
Other non-current liabilities				**48**

Section 4 — Group structure

4.1 Overview of Group companies

ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of Airthings ASA and its subsidiaries as at 31 December 2024. The subsidiaries are consolidated when control is achieved as defined by IFRS 10. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated entities

The subsidiaries of Airthings ASA are presented below:

Consolidated entities	Office	Funct. CUR	Shareholding	Group's voting ownership share
Airthings America INC	USA	USD	100%	100%
Airthings AB	Sweden	SEK	100%	100%

Section 5 - Non-current assets

5.1 Intangible assets

ACCOUNTING POLICIES

Intangible assets acquired

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Capitalization of internal development costs

Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate the technical feasibility, intention, ability, and resources to complete and utilize the asset, as well as the generation of future economic benefits and reliable measurement of the expenditure during development.

Useful lives and subsequent measurement

Intangible assets with indefinite useful lives (goodwill) are measured at cost less any accumulated impairment losses. Those with finite useful lives are amortized over their economic life and tested for impairment when indicators arise. The amortization period for capitalized development costs will be set as 3 or 5 years. In general, the more customer-facing a platform or product is, the shorter the useful life of the asset is expected to be. If an asset is planned to be replaced or retired before the end of the depreciation period, a formal management decision is conducted to adjust the useful life and accelerate amortization.

Changes in the expected useful life are treated as accounting estimate changes.

(USD 1,000)	Internally generated intangible assets	Software & systems	Technology	Goodwill	Total
Acquisition cost as at 1 January 2023	**1,148**	**1,171**	**2,383**	**2,872**	**7,574**
Additions	1,583	93	2	-	1,678
Reclass to Technology	-266	-	266	-	0
Currency translation effects	13	-32	-68	-89	-176
Acquisition cost as at 31 December 2023	**2,479**	**1,232**	**2,583**	**2,783**	**9,076**
Additions	1,129	-	53	-	1,182
Reclass to Technology	-2,791	-	2,791	-	0
Currency translation effects	- 205	-129	-295	-290	-919
Acquisition cost as at 31 December 2024	**612**	**1,103**	**5,132**	**2,493**	**9,340**
Accumulated amortization as at 1 January 2023	**0**	**554**	**1,690**	**0**	**2,244**
Amortization charge for the year	-	318	157	-	475
Impairment charge for the period	-	-	-	-	0
Currency translation effects	-	-8	-25	-	-33
Accumulated amortization as at 31 December 2023	**0**	**864**	**1,823**	**0**	**2,687**
Amortization charge for the year	-	272	657	-	929
Impairment charge for the period	-	-	-	2,635	2,635
Currency translation effects	-	-33	-119	-142	-294
Accumulated amortization as at 31 December 2024	**0**	**1,103**	**2,360**	**2,493**	**5,956**
Net book value:					
At 31 December 2023	**2,479**	**370**	**760**	**2,783**	**6,392**
At 31 December 2024	**612**	**0**	**2,771**	**0**	**3,383**

Economic life (years)	5	3 - 5	Indefinite
Depreciation plan	Straight-line		

Additions

Additions in 2024 and 2023 relates mainly to capitalized development costs. These assets are under development per 31 December 2024. When the asset is released, it will be classified as software & systems or technology. USD 2,791 thousand has been released in 2024.

5.2 Goodwill & impairment considerations

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests, and any previous interest held over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment considerations

Airthings performed its annual impairment test for goodwill in December 2024. The impairment test resulted in a goodwill impairment of USD 2.6 million, which corresponds to the entire goodwill previously being recognized. The goodwill was fully allocated to the Business segment CGU. The impairment test did not result in impairment of any of the other assets allocated to the Business segment CGU.

The impairment is a result of a revision of the Group's financial forecast for the Business segment.

Basis for determining the recoverable amount

The Group applies the value-in-use model for determining recoverable amount for the purpose of goodwill impairment testing. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from detailed budget and forecast calculations for the next five years approved by the Board of Directors. Restructuring activities and significant future investments are excluded from the budgets as such investments and costs are not planned per now. A long-term growth rate is calculated and applied to project future cash flows after the fourth year.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTION

Impairment testing of goodwill

The calculation of value in use for the CGU's are most sensitive to the following assumptions:

- Revenue growth
- EBITDA margin
- Pre-tax discount rate
- Terminal growth rate

Revenue growth

The expected growth in revenue is based on trends in the industry and the Group's market share. The growth forecast is based on management's expectations of future conditions in the market and has been determined as part of the yearly budget process.

EBITDA margin

The EBITDA margin is determined from an analysis of historical levels before tax, adjusted for expected changes to employee benefit expenses, other expenses, capital expenditures and changes to working capital.

Pre-tax discount rate

The discount rate reflects the current market assessment of the risks specific to the CGU. The pretax discount rate is estimated based on the weighted average cost of capital (WACC).

Terminal growth rate

The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets.

The key assumptions used to determine the recoverable amount for the Business segment CGU are presented below:

CGU	Revenue growth in the forecast period*	EBITDA margin	Terminal growth rate	Pre-tax dis-count rate
Business CGU - 31 December 2024	27.0 %	8.0%	2.0 %	14.8 %

*Revenue growth rate is based on a compound annual growth rate (CAGR)

Based on the above, goodwill allocated to the business segment was fully impaired as of 31 December 2024. No other intangible assets have been impaired. However, any reduction in revenue growth rate, EBITDA margin and Terminal Growth rate, or increase in WACC compared to figures disclosed above could have resulted in further impairment of other intangible assets allocated to the Business segment CGU.

5.3 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

No indicators for impairment of property, plant and equipment were identified in the current or prior period.

(USD 1,000)	Furniture and equipment	Rental instruments	Total
Acquisition cost as at 1 January 2023	**1,464**	**213**	**1,677**
Additions	92	-	92
Currency translation effects	-59	-29	-88
Acquisition cost as at 31 December 2023	**1,497**	**184**	**1,681**
Additions	73	-	73
Disposals	-140	-	-140
Currency translation effects	207	26	232
Acquisition cost as at 31 December 2024	**1,637**	**210**	**1,847**
Accumulated depreciation as at 1 January 2023	**780**	**67**	**847**
Depreciation for the year	294	12	306
Currency translation effects	-99	-12	-110
Accumulated depreciation as at 31 December 2023	**975**	**68**	**1,043**
Depreciation for the year	382	5	387
Disposals	-60	-	-60
Currency translation effects	63	4	67
Accumulated depreciation as at 31 December 2024	**1,359**	**77**	**1,436**
Net book value:			
At 1 January 2023	**684**	**146**	**830**
At 31 December 2023	**522**	**116**	**639**
At 31 December 2024	**278**	**133**	**411**

Economic life (years)	5	5	
Depreciation plan	Straight-line		

5.4 Right-of-use assets and lease liabilities

ACCOUNTING POLICIES

Group as a lessee

At the commencement date of a lease, the Group recognizes a lease liability and corresponding right-of-use asset in the balance sheet, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an underlying value of less than USD 5 thousands)

For these leases, the Group recognizes the lease payments as operating expenses in the consolidated statement of comprehensive income.

The Group as a lessor

The Group acts as a lessor through the professional segment through the rental of equipment such as Corentium Pro. These are primarily short-term operating leases where the Group retains substantially all the risks and rewards incidental to ownership of the asset. Initial direct costs related to operating leases are included in the carrying amount of the leased asset and recognized over the lease term in line with rental income.

The Group's assets under operating leases are included as property, plant and equipment and presented as rental instruments in note 5.3.

The Group's rental income under operating leases is included as revenue in the consolidated statement of profit or loss and specified in note 2.2.

The Group's leased assets

The Group's leases are mainly related to office space in Oslo and Bergen, Norway. Additionally, the Group leases office space in Stockholm, Sweden and Fort Worth, Texas and Massachusetts, USA. Leases of office space generally have lease terms between 3 and 10 years. The Group's right-of-use assets recognized in the consolidated statement of financial position are presented in the table below:

Right-of-use assets (USD 1,000)	Office space	Other	Total
Balance as at 1 January 2023	**3,102**	**54**	**3,140**
Additions of right-of-use assets	221	2	223
Depreciation	731	5	735
Currency translation effects	-108	-	-108
Balance as at 31 December 2023	**2,485**	**51**	**2,520**
Additions of right-of-use assets	-	12	12
Depreciation	698	8	705
Currency translation effects	-257	-	-257
Balance as at 31 December 2024	**1,530**	**55**	**1,569**

Remaining lease term or remaining useful life (years)	2–3	3
Depreciation plan	Straight-line	

Expenses in the period related to practical expedients and variable payments (USD 1,000)	2024	2023
Low-value assets lease expenses	142	117
Total lease expenses in the period	**142**	**117**

The lease expenses related to short-term leases are included in other operating expenses in the consolidated statement of comprehensive income, and the payments are presented in the Group's operating activities in the consolidated statement of cash flows.

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows (USD 1,000)	31.12.2024	31.12.2023
Less than one year	833	876
1-2 years	823	878
2-3 years	334	852
3-4 years	-	325
More than four years	-	-
Total undiscounted lease liabilities	**1,990**	**2,930**

Changes in the lease liabilities - 2022 (USD 1,000)	Total
At 1 January 2023	**3,404**
New leases recognized during the period	-
Cash payments for the principal portion of the lease liability (financing activities)	-724
Cash payments for the interest portion of the lease liability (operating activities)	-159
Interest expense on lease liabilities	159
Currency translation effects	108
Total lease liabilities at 31 December 2023	**2,788**
Current lease liabilities in the statement of financial position	885
Non-current lease liabilities in the statement of financial position	1,903

Changes in the lease liabilities - 2023 (USD 1,000)	Total
At 1 January 2024	**2,788**
New leases recognized during the period	12
Cash payments for the principal portion of the lease liability (financing activities)	-730
Cash payments for the interest portion of the lease liability (operating activities)	-118
Interest expense on lease liabilities	118
Currency translation effects	297
Total lease liabilities at 31 December 2024	**1,773**
Current lease liabilities in the statement of financial position	770
Non-current lease liabilities in the statement of financial position	1,003

The Group's lease liabilities

In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office buildings, mainly related to future inflation adjustments which is not included in the initial calculation of lease liabilities. The lease liability and right-of-use asset will be adjusted to reflect the inflation adjustment when the uncertainty related to the adjustment has been resolved.

Reference is made to note 6.3 for an overview of the Group's undiscounted lease liabilities and maturity of cash outflows as at 31 December 2024 and 31 December 2023.

Section 6 — Financial instruments and equity

6.1 Overview of financial instruments

ACCOUNTING POLICIES

The Group's financial instruments are grouped in the following categories:

Financial Assets

The Group's financial assets mainly comprise trade receivables and cash and cash equivalents.

Reference is made to note 3.2 for information about the Group's policies related to estimating expected credit losses.

Financial Liabilities

The Group's financial liabilities mainly comprise interest-bearing liabilities and trade payables.

Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognized at fair value, adjusted for directly attributable transaction expenses. Subsequently, these instruments are measured at amortized cost using the effective interest method (EIR). Gains and losses are recognized in profit or loss upon impairment, derecognition, and through the EIR amortization process.

The carrying amount of the Group's financial assets and liabilities are presented in the tables below:

31 December 2024 (USD 1,000)	Note	Financial instruments at amortized cost	Total
Assets			
Trade receivables	3.2	10,766	**10,766**
Cash and cash equivalents	6.6	8,834	**8,834**
Total financial assets		**19,600**	**19,600**
Liabilities			
Trade payables	3.4	3,946	**3,946**
Non-current lease liabilities	5.4	1,003	**1,003**
Current lease liabilities	5.4	770	**770**
Current interest-bearing liabilities	6.2	62	**62**
Non-current interest-bearing liabilities	6.2	1,171	**1,171**
Total financial liabilities		**6,952**	**6,952**

Significant finance income and finance costs arising from the Group's financial instruments are disclosed separately in note 2.8.

31 December 2023 (USD 1,000)	Note	Financial instruments at amortized cost	Total
Assets			
Trade receivables	3.2	11,175	**11,175**
Cash and cash equivalents	6.6	14,553	**14,553**
Total financial assets		**25,727**	**25,727**
Liabilities			
Trade payables	3.4	3,637	**3,637**
Non-current lease liabilities	5.4	1,903	**1,903**
Current lease liabilities	5.4	885	**885**
Non-current interest-bearing liabilities	6.2	1,376	**1,376**
Total financial liabilities		**7,802**	**7,802**

6.2 Interest-bearing debt

Revolving credit facility

In Q1 2023 Airthings secured a USD 8 million revolving credit facility (RCF) with Danske Bank which was renewed in Q1 2024. The size was reduced to USD 6 million. On February 5, 2025, Airthings received credit approval for renewal of the RCF. The size of the new facility is reduced to USD 5 million. The RCF has a tenor of 10 months and falls due 31 December 2025. As of 31 December 2024, USD 0 million of the facility was utilized. When the facility is utilized, it will be classified as short-term interest-bearing debt in the financial statements.

1. Covenants:
   Borrowing base: Utilized facility < 30% of inventory and 50% of trade receivables excl. trade receivables more than 60 days due
2. Clean-down: Minimum 1 period of 5 working days between 5 July 2025 and 31 December 2025

Covenants will be measured and monitored quarterly. Airthings was compliant with all covenants as of 31 December 2024.

Grants and growth loan from Innovation Norway

In May 2023, Airthings secured funding from Innovation Norway linked to the companies R&D activities with final reporting 31 March 2025. The Company was awarded a maximum grant of 17 MNOK and a growth loan of maximum 24 MNOK of which 5.1 MNOK and 14 MNOK has been received, respectively. The Company has decided to terminate the project following a more focused strategy as communicated to the market in relation to release of the second quarter results on 21 August 2024. The Company expect to repay 0.4MNOK of the grant of 5.1MNOK and start to repay the growth loan of 14 MNOK in accordance with the agreed repayment plan of 7 years. First scheduled repayment is expected to be in October 2025

Covenants related to the Innovation Norway funding (with effect from 30 June 2023):

1. Equity ratio > 35%
2. Working capital > NOK 50 000 000

Covenants will be measured and monitored on a quarterly basis.

Contractual undiscounted cash flows from financial liabilities is presented below:

Current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	31.12.2024	31.12.2023
Growth loan Innovation Norway	7.90%*	2025	62	-

Non-current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	31.12.2024	31.12.2023
Growth loan Innovation Norway	7.90%*	2030	1,171	1,376
RCF with Danske Bank	-	-	-	-

* Innovation Norway may adjust the interest rate with a six week notice upon changes in underlying market interest rates

6.3 Ageing analysis

Contractual undiscounted cash flows from financial liabilities is presented below:

31 December 2024 (USD 1,000)	Note	Remaining contractual maturity 1 — 12 months	1 — 2 years	2 — 3 years	3 — 4 years	More than 4 years	Total
Financial liabilities							
Non-current interest-bearing liabilities	6.2	-	247	247	247	432	**1,171**
Current interest-bearing liabilities	6.2	62	-	-	-	-	**62**
Trade and other payables	3.4	8,044	-	-	-	-	**8,044**
Non-current lease liabilities	5.4	-	823	334	-	-	**1,157**
Current lease liabilities	5.4	833	-		-	-	**833**
Total financial liabilities		**8,938**	**1,070**	**580**	**247**	**432**	**11,267**

31 December 2023 (USD 1,000)	Note	Remaining contractual maturity 1 — 12 months	1 — 2 years	2 — 3 years	3 — 4 years	More than 4 years	Total
Financial liabilities							
Non-current interest-bearing liabilities	6.2	-	-	-	-	1,839	**1,839**
Trade and other payables	3.4	6,526	-	-	-	-	**6,526**
Non-current lease liabilities	5.4	-	878	852	325	-	**2,055**
Current lease liabilities	5.4	876	-	-	-	-	**876**
Total financial liabilities		**7,402**	**878**	**852**	**325**	**1,839**	**11,296**

6.4 Financial risk management

Overview

The Group is exposed to a range of risks affecting its financial performance, including but not limited to liquidity risk, credit risk, increased tariffs, and market risks relating to changes in interest rates and foreign currency exposure. The Group seeks to minimize the potential adverse effects of such risks through sound business practice and risk management.

Market risk

Financial instruments affected by market risk include interest-bearing debt, cash and cash equivalents, trade receivables, lease liabilities and trade and other payables.

Interest rate risk

The Group's borrowings have historically been exposed to interest rate fluctuations. The Group had USD 1.2 million in interest bearing debt at the end of 2024, and the Board of Directors considers the risk associated with interest rate fluctuations to be low.

Foreign currency risk

The Group is exposed to currency fluctuations due to the international nature of its operations. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

A significant part of revenues and cost of goods sold are denominated in USD, with a smaller portion incurred in EUR, NOK, CAD and GBP. Most of its operating expenses are incurred in NOK. Further, the Group could potentially be negatively impacted by fluctuations in other currencies in the future. The Group does not currently hedge currency exposure with the use of financial instruments but does employ natural hedges, e.g. retaining revenues in USD to make payments to suppliers with USD as the contract currency, to the extent possible and monitors the net exposure over time.

Geopolitical risks

The potential implementation of additional trade tariffs by the United States could negatively impact Airthings ASA's cost structure and profit margins on products exported to the U.S. market, which represents a significant portion of the Group's revenues. Airthings has outsourced production of its products to partners in Israel, Tunisia, Malaysia and China. Timing and levels of potential tariffs are uncertain, and management is working on mitigating activities.

War in Ukraine — the ongoing war does not currently impact the Group directly, as it has no operating presence in either Russia, Belarus or Ukraine. Indirect effects however, such as financial market volatility, sanctions related knock-on effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position.

War in Israel/Gaza – the ongoing war in Israel/Gaza is not currently impacting the Group, despite the Group having limited production in Israel. The Group's contract manufacturer for one product is located near Tel Aviv and therefore not in direct proximity to the ongoing armed conflict. The Group's exposure is very limited, but management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

The Group's Board and Management contentiously monitors these situations and assesses the potential impact on the Group's financial results and financial position.

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax with +10% (USD 1,000)
Increase / decrease in NOK/USD	31.12.2024	+/- 10%	792
Increase / decrease in NOK/USD	31.12.2023	+/- 10%	1,234

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax with +10% (USD 1,000)
Increase / decrease in NOK/CAD	31.12.2024	+/- 10%	423
Increase / decrease in NOK/CAD	31.12.2023	+/- 10%	215

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax with +10% (USD 1,000)
Increase / decrease in NOK/EUR	31.12.2024	+/- 10%	136
Increase / decrease in NOK/EUR	31.12.2023	+/- 10%	296

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax with +10% (USD 1,000)
Increase / decrease in NOK/GBP	31.12.2024	+/- 10%	60
Increase / decrease in NOK/GBP	31.12.2023	+/- 10%	95

*The Group has no financial instruments through OCI and hence the effects on equity are zero.

Credit risk

The Group is mainly exposed to credit risk from its operating activities. Airthings has a relatively high customer concentration with the two largest customers accounting for 56% of revenues. Due to this credit risk is also concentrated. However, the credit risk is considered generally low in the Consumer segment, where most sales are made to well established and creditworthy third parties or sold directly with immediate payment. In the Business segment, the credit risk is considered to be slightly higher. The Group has strong relationships with its business customers and receivable balances are monitored on a continuous basis.

It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, including an assessment of credit rating, short-term liquidity, and financial position. Exceptions to the Group's standard credit terms must be approved by the Airthings finance department.

The Group's exposure to losses has historically been low. However, increased business outside the US and home markets may expose Airthings to different credit risk environments. The Board of Directors deems the credit risk to be at an acceptable level given the current scope of operations and outlook of the Group.

Reference is made to note 3.2 for an overview of the ageing of trade receivables and a description of the expected credit losses recognized.

Liquidity risk

The Group supervises its risk by monitoring its cash balances and working capital exposure, as well as production commitments to main contract manufacturers. The Group's liquidity position weakened during 2024. Over the last year, Airthings has strengthened its focus on optimizing business operations, reducing current and incoming inventories and collecting overdue receivables.

The Group’s cash position was USD 8.8 million on 31 December 2024. The Company also has access to liquidity through a revolving credit facility (RCF) with Danske Bank. This was initially entered for USD 8 million in Q1 23, lowered to USD 6 million in Q1 24 with a further reduction to USD 5 million from February 2025. The reduction reflects the overall improved working capital situation (see note 6.2).

The Board of Directors and Management continuously monitors the Group's liquidity position through detailed cash flow forecasts covering both short-term operational needs and longer-term strategic initiatives.

The current operational plans, with Airthings targeting positive EBITDA in H2 2025 and entire 2026, are expected to be covered by the current funding. It is the Board of Directors' assessment that the liquidity risk is considered to be at a reasonable level, however, negative deviations to the current plans could give a distressed liquidity situation and the development will be monitored carefully.

An overview of the maturity profile of the Group’s financial liabilities with corresponding cash flow effect is presented in note 6.3 and 6.10.

Customer concentration

The Group has some major customers accounting for a significant share of the income. As a mitigating action, the Group has expanded its direct channel in the Consumer segment, onboarded new retailers, and strengthened the relationships with large Enterprises in the Business segment.

6.5 Fair value measurement

ACCOUNTING POLICIES

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

The Company has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the current risk free interest rates.

Interest-bearing liabilities

The fair values of the Group’s interest-bearing loans and borrowings are determined by using the discounted cash flow (DCF) method using a discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

Financial liabilities as of 31.12.2024	Note	Carrying value	Fair value	Level 1	Level 2	Level 3
Current interest-bearing liabilities	6.2	62	62		x	
Non-current interest-bearing liabilities	6.2	1,171	1,171		x	

6.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which is subject to an insignificant risk of changes in value. Restricted bank deposits comprise of cash for withholding taxes which may not be used for other purposes and restricted deposits in Nordea.

Cash and cash equivalents (USD 1,000)	31.12.2024	31.12.2023
Bank deposits, unrestricted	7,881	13,530
Bank deposits, restricted	953	1,023
Total cash and cash equivalents	**8,834**	**14,553**

Bank deposits earns a low interest at floating rates based on the bank deposit rates.

6.7 Share capital and shareholders information

The Group's share capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy working capital and financial stability in order to support its growing business operations and to maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares or issue debt. The Group monitors capital using an equity ratio, which is 'Total equity' divided by 'Total assets'.

(USD 1,000)	31.12.2024	31.12.2023
Total Equity	28,443	50,264
Total Assets	42,888	64.653
Equity ratio	**66%**	**78%**

ACCOUNTING POLICIES

Costs related to equity transactions

Direct and incremental transaction costs are deducted from equity, net of associated income tax.

Distribution to shareholders

The Group recognizes a liability to make distributions to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity. No distributions were made to shareholders in the current or prior period. Further, there are no proposed dividends.

The ultimate parent

Airthings ASA is the ultimate parent of the Group.

Issued capital and reserves:

Share capital in Airthings ASA	Number of shares authorized and fully paid	Par value per share (NOK)	Financial Position (USD 1,000)
At 31 December 2022	**173,992,346**	**0.01**	**192**
Share capital increase - February 2023*	23,437,500	0.01	23
Share capital increase - November 2023	328,600	0.01	0
At 31 December 2023	**197,758,446**	**0.01**	**215**
At 31 December 2024	**197,758,446**	**0.01**	**215**

*Airthings raised NOK 75 million in gross proceeds through a private placement of 23,437,500 shares in Q1 2023.

All shares are ordinary and have the same voting rights and rights to dividends.
Reconciliation of the Group's equity is presented in the statement of changes in equity.

The Group's shareholders:

Shareholders in Airthings ASA at 31.12.2024	Total shares	Ownership/ Voting rights
Firda AS	57,213,289	29%
Holmen Spesialfond	12,461,025	6%
Victoria India Fund AS	5,901,881	3%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,894,522	2%
Erlend Peter Johnsen Bolle	4,819,722	2%
Verdipapirfondet KLP AksjeNorge	4,462,222	2%
Koki Yoshioka	4,166,650	2%
Brownske Bevegelser AS	3,500,000	2%
A Management AS	3,311,098	2%
Spectatio Finans AS	3,230,635	2%
Møsbu AS	2,814,236	1%
Longfellow Invest AS	2,753,534	1%
Jolly Roger AS	2,535,423	1%
Grotmol Solutions AS	2,434,403	1%
Storlien Invest AS	2,432,000	1%
Skilling Systemer AS	2,216,817	1%
Nygon AS	1,751,969	1%
B&B Gruppen AS	1,570,908	1%
Other	63,850,280	32%
Total	**197,758,446**	**100%**

Shares held by management and the Board of Directors at the end of the reporting period is disclosed in note 7.1.

The Group's shareholders:

Shareholders in Airthings ASA at 31.12.2023	Total shares	Ownership/ Voting rights
Firda AS	57,213,289	29%
Victoria India Fund AS	5,901,881	3%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,894,522	2%
Erlend Peter Johnsen Bolle	4,819,722	2%
Verdipapirfondet KLP AksjeNorge	4,462,222	2%
Holmen Spesialfond	4,228,559	2%
Koki Yoshioka	4,166,650	2%
Brownske Bevegelser AS	3,500,000	2%
The Bank Of New York Mellon SA/NV	3,500,000	2%
A Management AS	3,311,098	2%
Danske Invest Norge Vekst	2,962,962	1%
Skilling Systemer AS	2,850,000	1%
Møsbu AS	2,814,236	1%
Longfellow Invest AS	2,753,534	1%
Nore-Invest AS	2,450,659	1%
Grotmol Solutions AS	2,434,403	1%
Storlien Invest AS	2,432,000	1%
Spectatio Finans AS	2,287,877	1%
Other	69,337,000	35%
Total	**197,758,446**	**100%**

Shares held by management and the Board of Directors at the end of the reporting period is disclosed in note 7.1.

6.8 Share-based payments

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the grant date using the Black-Scholes-Merton Model ("BSM"). The cost is recognized as an employee benefits expense, with a corresponding increase in equity (other capital reserves), over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Group's best estimate of the number of equity instruments that will ultimately vest.

Vesting under the Group's option schemes is subject to employment by the Group (service condition). Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

Share option plans — description

Option scheme 2018

Each option grant vest as follows (subject to employment by the Group): 25% of the options are vested 12 months from the grant date, then 1/48 vest each month thereafter. Full vesting occurs after four years, and last possible exercise is 10 years from grant date.

Options scheme 2021 - 2024

Options granted prior to the Annual General Meeting in 2021 vest in tranches over four years. 25% of the options vest one year after the grant date and the remaining 75% of the options vest in monthly tranches over the next 36 months, subject to employment by the Group. The options can be exercised after they are fully vested until they expire 10 years after the grant date.

Options granted after the Annual General Meeting in 2021 vest with equal tranches with 25% each year starting one year after the grant date (subject to employment by the Group). The options can be exercised after they are fully vested until they expire 5 years after the grant date.

Share options held by members of the Board and management at the end of the reporting period are summarized in note 7.1.

USD 173 thousands was expensed as employee benefit expenses in the period (USD 292 thousands in 2023). The expected future social security tax on share-based payments is recorded as a liability and disclosed in note 3.5.

Change of strike price for employee share options

On the 20 February 2023 Airthings announced a change in strike price for employee share options. The Company adjusted the strike-price for all Aithings' employees' option agreements with a strike price above NOK 3.20. The total number of adjusted options was 5,736,232 and resulted in a total incremental cost to the Company of USD 110 thousands. The new strike price is NOK 3.20.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2024 WAEP (NOK)	2024 Number	2023 WAEP (NOK)	2023 Number
Outstanding options 1 January	2.40	9,657,122	3.92	9,046,832
Options granted	2.90	5,722,726	2.39	2,768,951
Options forfeited	2.70	-1,333,730	3.23	-706,578
Options exercised*	1.66	-179,063	1.19	-905,000
Options expired	3.20	-439,824	3.61	-547,083
Outstanding options 31 December		**13,427,231**		**9,657,122**
Vested and outstanding at 31 December		5,689,554		5,183,816

The weighted average share price at the date of exercise of these options was NOK 1.66 in 2024, and NOK 1.19 in 2023

The weighted average remaining contractual life for the options outstanding as at 31 December 2024 was 3.34 years (2023: 3.87 years).

The weighted average fair value of options granted during the year was NOK 0.88 (2023: NOK 0.73).

Overview of outstanding options at 31.12.2024:

	Exercise price (NOK)	Number of outstanding options	Weighted Average remaining contractual life	Number of options exercisable
	0.00 - 2.00	2,212,000	0.88	2,212,000
	2.00 - 4.00	11,099,601	3.81	3,375,263
	4.00 - 6.00	17,727	2.87	8,864
	6.00 - 8.00	80,000	5.65	80,000
	8.00 - 10.00	17,903	1.42	13,427
Outstanding options 31 December		**13,427,231**		**5,689,554**

Overview of outstanding options at 31.12.2023:

	Exercise price (NOK)	Number of outstanding options	Weighted Average remaining contractual life	Number of options exercisable
	0.00 - 2.00	2,349,600	2.36	2,349,600
	2.00 - 4.00	7,191,892	4.34	2,740,832
	4.00 - 6.00	17,727	3.87	4,432
	6.00 - 8.00	80,000	6.65	80,000
	8.00 - 10.00	17,903	2.42	8,952
Outstanding options 31 December		**9,657,122**		**5,183,816**

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the options, volatility and dividend yield and making assumptions about them. Due to limited historical data and liquidity these assumptions include significant estimates by management.

Assumptions used to determine fair value of option grants:

The following table list the inputs to the model used for the plans for the years ended 31 December 2024 and 31 December 2023, respectively:

	2024	2023
Weighted average fair values at the measurement date (NOK)	0.75	0.73
Dividend yield (%)	0%	0%
Expected volatility (%)	46.1%	44.3%
Risk–free interest rate (%)	3.87%	3.89%
Expected life of share options (years)	2.50	2.50
Weighted average share price (NOK)	2.71	2.39
Weighted average exercise price (NOK)	2.98	2.37
Model used	BSM	BSM

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

6.9 Earnings per share

The following table reflects the income and share data used in the EPS calculations:

Profit or loss in USD	2024	2023
Profit or loss attributable to ordinary equity holders - for basic EPS	-17,690,281	-6,257,752
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-17,690,281	-6,257,752
Weighted average number of ordinary shares - for basic EPS	197,758,446	194,708,073
Weighted average number of ordinary shares adjusted for the effect of dilution	199,700,431	196,862,214
Basic EPS — profit or loss attributable to equity holders of the parent	-0.09	-0.03
Diluted EPS — profit or loss attributable to equity holders of the parent*	-0.09	-0.03

*Diluted EPS are not adjusted for the effect of dilution as the effect of including the additional shares is antidilutive.

6.10 Changes in liabilities arising from financing activities

Reconciliation of changes in liabilities incurred as a result of financing activities:

2024 (USD 1,000)	Note	01.01. 2024	Cash flow effect	Non-cash changes			31.12. 2024
				Addi- tions	Foreign exchange movement	Other changes	
Non-current interest-bearing liabilities	6.2	1.376		-	-143	-62	**1,171**
Current interest-bearing liabilities	6.2	-		62			**62**
Lease liabilities	5.4	2,788	-848	12	-297	118	**1,773**
Total liabilities from financing		**4,164**	**-848**	**73**	**-440**	**56**	**3,006**

2023 (USD 1,000)	Note	01.01. 2023	Cash flow effect	Non-cash changes			31.12. 2023
				Addi- tions	Foreign exchange movement	Other changes	
Non-current interest-bearing liabilities	6.2	-	1,300	-	76	-	**1,376**
Lease liabilities	5.4	3,404	-883	-	108	159	**2,788**
Total liabilities from financing		**3,404**	**417**	**-**	**184**	**159**	**4,165**

Section 7 — Other disclosures

7.1 Remuneration to Management and Board

Remuneration to the Board of Directors

Remuneration for the members of the Board is determined by the Annual General Meeting (AGM). The remuneration is not linked to the Group's performance but reflects the Board's responsibilities, expertise, time and commitment. Remuneration of the Board of Directors consist of a fixed annual fee, and was adopted by the General Meeting on 6 June 2024. Annual remuneration is USD 35 thousands for the Chairman and USD 20 thousands for Board Members, where of 50% shall be paid out in advance and 50% in arrears. Employee representatives do not receive remuneration nor share options for board participation.

Remuneration to the management team

The Board of Airthings ASA has established guidelines for determining remuneration to the management team which was approved by the AGM in 2023. The Group's management team includes the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Commercial Officer (CCO), the Chief Technology Officer (CTO), the Chief Product Officer (CPO), and the Chief Growth Officer (CGO).

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.

Fixed Base Salary (FBS)

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

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 competitive with relevant businesses 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.

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 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. Chief Commercial Officers). The Chief Commercial Officers have an agreement of sales bonus up to 30% of FBS. The criteria for bonus achievement are based on the sales teams' total budgets for the year.

Long term incentive – Equity component/Share option plan (LTI)

Members of the management team have been granted share options under the Group's share option plan, described in note 6.7. The share options held by the management team is summarized further below. .

Pension

All members of the management team are part of the defined contribution pension scheme.

Severance Arrangements

If the CEO resigns, a mutual notice period of 6 months applies. If termination by the Company severance pay for a period of 12 months following the expiry of the notice period. Similarly, there are no agreements for severance pay for the other members of the management team.

Loans and guarantees

No loans have been granted and no guarantees have been issued to members of the management team or any member of the Board of Director in the current or prior reporting period.

Remuneration to the management team for the year ended 31 December 2024:

USD 1,000 [1] Name	Title	Salary	Bonus	Pension	Other compen-sation	Total remuner-ation
Emma Tryti	Current CEO [2]	233	-	14	1	248
Øyvind Birkenes	Former CEO [3]	39	25	2	0	66
Helge Øien	Current CFO [4]	32	-	2	0	34
Magnus Navdal Bekkelund	Former CFO [5]	129	11	8	1	149
Audhild Andersen Randa	CTO	169	13	10	2	193
Ole Martin Kristiansen	CPO [6]	65	-	4	1	69
Millie Paakola	Former CMO [7]	78	6	5	1	90
Hanne Nordstrøm Næss	CGO [8]	59	4	4	1	66
Anders Folleràs	Former SVP, Airthings for Consumer [9]	75	13	5	0	93
Chloe Waller	CCO [10]	254	29	19	11	313
Gudrun Helset	Chief of People and Organization [11]	58	-	3	1	62
Anita Øverbekk	Former HR Director [12]	65	-	-	-	65
Total		**1,255**	**101**	**75**	**19**	**1,449**

[1] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
[2] Compensation is only reflected for the period that the executive was a part of management which was from 4 March, 2024.
[3] Compensation is only reflected for the period that the executive was a part of management which was until 3 March, 2024.
[4] Compensation is only reflected for the period that the executive was a part of management which was from 1 November, 2024.
[5] Compensation is only reflected for the period that the executive was a part of management which was until 31 October, 2024.
[6] Compensation is only reflected for the period that the executive was a part of management which was from 1 August, 2024.
[7] Compensation is only reflected for the period that the executive was a part of management which was until 31 August, 2024.
[8] Compensation is only reflected for the period that the executive was a part of management which was from 1 August, 2024.
[9] Compensation is only reflected for the period that the executive was a part of management which was until 30 June, 2024.
[10] Compensation is paid in USD, Compensation is only reflected for the period that the executive was a part of management which was from 1 March, 2024.
[11] Compensation is only reflected for the period that the executive was a part of management which was from 1 August, 2024.
[12] Hired externally and invoiced monthly.

Remuneration to the management team for the year ended 31 December 2023:

USD 1,000 [1] Name	Title	Salary	Bonus	Pension	Other	Total
Øyvind Birkenes	CEO [2]	237	43	8	297	585
Magnus Navdal Bekkelund	Current CFO [3]	26	-	1	0	27
Jeremy Gerst	Former CFO [4]	158	38	8	1	206
Audhild Andersen Randa	COO	158	27	8	2	195
Millie Paakola	Current CMO [5]	46	-	4	1	51
Lauren Pedersen	Former CMO [6]	67	20	4	-	91
Anders Folleršs	SVP, Airthings for Consumer	153	6	8	2	168
Pål Berntsen	Former SVP, Airthings for Business [7]	42	6	4	1	52
Anita Øverbekk	HR Director [8]	165	-	-	-	165
Total		**1,051**	**140**	**46**	**304**	**1,540**

[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 "Other" includes severance pay which will be paid in a lump 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.

Remuneration to the Board of Directors for the year ended 31 December:

USD 1,000 [1] Name	Title	2024	2023
Geir Førre	Chairman	35	33
Aksel Lund Svindal	Board member	20	19
Liv Dyrnes	Board member	20	19
Elisabeth Barrie	Board member [2]	10	
Karin Berg	Board member	20	19
Laoise Ballance	Board member - Employee representative [3]	-	-
Tore Havsø Sæstad	Board member - Employee representative [3]	-	-
Emma Tryti	Former Board member [4]	9	19
Fredrik Thoresen	Former Board member [5]	-	9
Lars Boilesen	Former Board member [5]	-	9
Chloe Emma Waller	Former Board member - Employee representative [6]	-	-
Niklas Norin	Former Board member - Employee representative [7]	-	-
Anlaug Underdal	Former Board member - Employee representative [7]	-	-
Tore Rismyhr	Former Board member - Employee representative [8]	-	-
Total compensation to Board of Directors		**114**	**128**

[1] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
[2] New board member from 19 June, 2024.
[3] New board member from 20 January, 2025.
[4] Resigned from the board as of 3 March 2024 to take on the role as CEO as of 4 March 2024.
[5] Board member until 31 May, 2023.
[6] Resigned from the board as of 3 March 2024 to take on the role as CCO, Business & Retail as of 4 March 2024.
[7] Board member until 19 January 2025.
[8] Board member until 1 January 2023.

Shares held by the management team:

Name	Title	31.12.2024	31.12.2023
Emma Tryti	Current CEO [1 4]	340,000	N/A
Øyvind Birkenes	Former CEO [2 5]	N/A	3,124,114
Helge Øien	Current CFO [4]	-	N/A
Magnus Navdal Bekkelund	Former CFO [5]	N/A	7,500
Audhild Andersen Randa	CTO	32,500	32,500
Ole Martin Kristiansen	CPO [4]	-	N/A
Millie Paakola	Former CMO [5]	N/A	-
Hanne Nordstrøm Næss	CGO [4]	-	N/A
Anders Folleräs	Former SVP, Airthings for Consumer [3 5]	N/A	412,800
Chloe Waller	CCO [4]	-	N/A
Gudrun Helset	Chief of People and Organization [4]	-	N/A
Anita Øverbekk	Former HR Director [4]	N/A	-
Total		**372,500**	**3,576,914**

[1] Privately and through Leash AS.
[2] Privately and through Longfellow Invest AS.
[3] Privately and through Folleräs Holding AS.
[4] Not in management team as of 31 December 2023, as such shares held at that date are not applicable.
[5] Not in management team as of 31 December 2024, as such shares held at that date are not applicable.

Shares held by the Board of Directors:

Name	Title	31.12.2024	31.12.2023
Geir Førre	Chairman [1]	57,213,289	57,213,289
Aksel Lund Svindal	Board member [2]	3,407,625	3,407,625
Liv Dyrnes	Board member	35,000	35,000
Elisabeth Barrie	Board member [5]	-	N/A
Karin Berg	Board member	-	-
Laoise Ballance	Board member - Employee representative [5] [6]	N/A	N/A
Tore Havsø Sæstad	Board member - Employee representative [5] [6]	N/A	N/A
Emma Tryti	Former Board member [3] [6]	N/A	340,000
Chloe Emma Waller	Former Board member - Employee representative [6]	N/A	-
Niklas Norin	Former Board member - Employee representative [4] [6]	N/A	53,500
Anlaug Underdal	Former Board member - Employee representative [5]	56,000	N/A
Total compensation to ard of Directors		**60,711,914**	**61,049,414**

[1] Through Firda AS.
[2] Through A Management AS and A Holding AS
[3] Through Leash AS.
[4] Through Leafcrest AS.
[5] Not in the Board of Directors as of 31 December 2023, as such shares held at that date are not applicable.
[6] Not in the Board of Directors as of 31 December 2024, as such shares held at that date are not applicable.

Share options held by the management team as at 31.12.2024:

Name	Title	Outstanding options	Strike price (NOK)	Remaining life (years)
Emma Tryti	CEO [1]	1,500,000	2.79	4.01
Helge Øien	CFO [2]	800,000	2.98	4.84
Audhild Andersen Randa	CTO [3]	800,000	2.31-3.20	1.42-4.50
Ole Martin Kristiansen	CPO [4]	500,000	2.99	4.59
Hanne Nordstrøm Næss	CGO [5]	300,000	2.97	4.58
Chloe Waller	CCO [6]	600,444	2.31-3.20	2.05-4.14
Gudrun Helset	Chief of People and Organization [7]	200,000	2.97	4.58
Total		**4,700,444**		

[1] Share options awarded in 2024: 1,500,000 Share options exercised: 0
[2] Share options awarded in 2024: 800,000 Share options exercised: 0
[3] Share options awarded in 2024: 358,000 Share options exercised: 0
[4] Share options awarded in 2024: 500,000 Share options exercised: 0
[5] Share options awarded in 2024: 300,000 Share options exercised: 0
[6] Share options awarded in 2024: 420,000 Share options exercised: 0
[7] Share options awarded in 2024: 200,000 Share options exercised: 0

Share options held by the management team as at 31.12.2023:

Name	Title	Outstand-ing options	Strike price (NOK)	Remaining life (years)
Øyvind Birkenes	CEO [1]	2,336,600	0.51 - 3.20	1.65 -1.66
Magnus Navdal Bekkelund	CFO [2]	113,009	2.31 - 3.20	3.85 - 4.50
Audhild Andersen Randa	COO [3]	442,000	2.31 - 3.20	2.82 - 4.50
Millie Paakola	CMO [4]	70,771	2.31 - 3.20	4.50 - 5.07
Anders Folleràs	SVP, Airthings for Consumer [5]	362,000	1.45 - 3.20	3.07 - 4.92
Anita Øverbekk	HR Director [6]	225,000	2.31 - 3.20	3.07 - 4.50
Total		**3,549,380**		

[1] Share options awarded in 2023: 250,000 Share options exercised: 0
[2] Share options awarded in 2023: 31,155 Share options exercised: 0
[3] Share options awarded in 2023: 250,000 Share options exercised: 0
[4] Share options awarded in 2023: 40,000 Share options exercised: 0
[5] Share options awarded in 2023: 200,000 Share options exercised: 0
[6] Share options awarded in 2023: 150,000 Share options exercised: 0

Share options held by the Board of Directors as at 31.12.2024:

Name	Title	Outstanding options	Strike price (NOK)	Remaining life (years)
Geir Førre	Chairman	-	-	-
Aksel Lund Svindal	Board member	100,000	3.36	4.25
Liv Dyrnes	Board member	-	-	-
Elisabeth Barrie	Board member	-	-	-
Karin Berg	Board member	-	-	-
Laoise Ballance	Board member - Employee representative	85,174	2.31 - 3.20	2.50 - 5.03
Tore Havsø Sæstad	Board member - Employee representative	105,684	2.31 - 3.20	1.42 - 4.84
Total		**290,858**		

Share options held by the Board of Directors as at 31.12.2023:

Name	Title	Outstanding options	Strike price (NOK)	Remaining life (years)
Geir Førre	Chairman	-	-	-
Aksel Lund Svindal	Board member	100,000	3.36	5.25
Liv Dyrnes	Board member	-	-	-
Emma Tryti	Board member	-	-	-
Karin Berg	Board member	-	-	-
Niklas Norin	Board member - Employee representative	151,590	3.07	4.50 - 6.06
Chloe Emma Waller	Board member - Employee representative	180,444	2.70	3.22 - 4.50
Total		**432,034**		

7.2 Related party transactions

Related parties are major shareholders, members of the Board and Management team in the parent company and the Group subsidiaries. Note 4.1 and 6.7 provides information about the Group structure, including details of the subsidiaries, and shareholders. Significant agreements and remuneration paid to management and the Board for the current and prior period are presented in note 7.1. Shares and share options held by the management team and the Board are also summarized in note 7.1.

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following tables provide the total amount of transactions and balances with related parties (outside the Group) for the relevant financial periods:

Related party transactions in 2024 and balances at 31 December 2024 (USD 1,000)	Other Shareholders	Total
Income from related parties	160	**160**
Payments to related parties	88	**88**
Related party receivables	-	**-**

Related party transactions in 2023 and balances at 31 December 2023 (USD 1,000)	Other Shareholders	Total
Income from related parties	333	**333**
Payments to related parties	100	**100**

Payments to related parties include consultant services (trainee program) from Firda AS which is the largest shareholder of the Group and owned by Geir Førre (Chair of the Board in Airthings ASA).

7.3 Events after the reporting period

Adjusting events

There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events

RCF

On 5 February 2025, Airthings received credit approval for renewal of the RCF. The size of the new facility is reduced to USD 5.0 million. The RCF has a tenor of 11 months and falls due 31 December 2025, see note 6.2.

AIRTHINGS

Airthings ASA

Parent Company Financials

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Income statement

For the years ended 31 December			
Amounts in NOK 1,000	**Notes**	**2024**	**2023**
Revenues	2.1, 4.2	427,455	358,046
Total revenues		**427,455**	**358,046**
Cost of goods sold		182,192	149,295
Employee benefit expenses	2.2, 2.4	130,298	131,997
Other operating expenses	2.3, 2.4, 4.2	218,268	168,126
Operating profit or loss before depreciation and amortization (EBITDA)		**-103 302**	**-91 372**
Depreciatiom, amortization and impairment	5.1, 5.2	23,144	13,066
Operating profit (loss) / EBIT		**-126,446**	**-104,438**
Finance income	2.5	35,200	7,441
Finance costs	2.5	16,087	1,887
Net financial items		**19,112**	**5,554**
Profit (loss) before tax		**-107,334**	**-98,884**
Tax expense	2.6	60,254	-20,953
Profit (loss) for the year		**-167,588**	**-77,931**

Profit (loss) for the year is proposed allocated as follows:

To (from) other equity	-167,588	-77,931
Total allocated	**-167,588**	**-77,931**

Statement of financial position

Amounts in NOK 1,000	Notes	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Goodwill	5.1	0	9,435
Intangible assets	5.1	38,403	36,717
Deferred tax asset	2.6	27,914	88,168
Property, plant and equipment	5.2	2,825	3,735
Investments in subsidiaries	4.1	1,914	1,669
Receivables group companies	4.2	278	47,323
Other non-current assets	3.2	542	1,026
Total non-current assets		**71,877**	**188,074**
Current assets			
Inventories	3.1	108,242	147,371
Trade receivables	3.2	142,395	85,506
Other receivables		53,549	52,544
Cash and cash equivalents	6.1	86,310	131,277
Total current assets		**390,496**	**416,699**
TOTAL ASSETS		**462,373**	**604,772**

Amounts in NOK 1,000	Notes	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Equity			
Share capital	6.3	1,978	1,978
Treasury shares		0	0
Share premium		791,132	791,132
Other capital reserves		23,580	21,717
Other equity		- 482,915	- 315,327
Total equity		**333,774**	**499,499**
Non-current liabilities			
Non-current interest-bearing liabilities	3.2	13,300	14,000
Other non-current liabilities	3.2	548	1,098
Total non-current liabilities		**14,548**	**15,098**
Current liabilities			
Current interest-bearing liabilites	3.2	700	0
Trade payables		41,026	34,842
Income tax payable		0	0
Other payables	3.3	9,334	9,579
Other current liabilities	3.3	63,691	45,754
Total current liabilities		**114,051**	**90,175**
Total liabilities		**128,599**	**105,273**
TOTAL EQUITY AND LIABILITIES		**462,373**	**604,772**

Oslo, 26 March 2025

Geir Førre
Chairman of the Board

Aksel Lund Svindal
Board member

Karin Berg
Board member

Emma Tryti
CEO

Liv Dyrnes
Board member

Elizabeth Barrie
Board Member

Tore Havsø Sæstad
Board member

Laoise Ballance
Board member

Statement of cash flows

For the years ended 31 December			
Amounts in NOK 1,000	**Notes**	**2024**	**2023**
Cash flow from operating activities			
Profit (loss) before tax		**-107,334**	**-98,884**
Depreciation, amortization and impairment	5.1, 5.2	23,144	13,066
Share-based payment expense		1,863	3,081
Working capital adjustments:			
Changes in inventories	3.1	39,129	26 753
Changes in trade receivables		-56,888	-12,580
Changes in trade payable		6,184	1,287
Changes in other liabilities and receivables		64,523	14,901
Other items			
Tax paid		0	0
Net cash flows from operating activities		**-29 379**	**-52 377**
Cash flows from investing activities			
Purchase of intangible assets and development expenditures	5.1	-13,701	-17,691
Purchase of property, plant and equipment	5.2	-783	-987
Net cash flow from investing activities		**-14 484**	**-18 678**
Cash flow from financing activities			
Proceeds from issuance of equity	6.3	0	72,358
Proceeds of interest-bearing liabilities		0	14,000
Interest paid		-1,104	-554
Net cash flows from financing activities		**-1,104**	**85,804**
Net increase/(decrease) in cash and cash equivalents		**-44,967**	**14,750**
Cash and cash equivalents at 1 January		131,277	116,528
Cash and cash equivalents at 31 December		**86,310**	**131,277**

Statement of changes in equity

Amounts in NOK 1,000	Share capital	Treasury shares	Share premium	Other capital reserves	Other Equity	Total
Equity 1 January 2023	**1,740**	**0**	**716,129**	**18,636**	**-234,514**	**501,991**
Capital increase February	234		74,766			75,000
Capital increase November	3		237			240
Transaction cost share issues					-2,882	-2,882
Share based payment				3,081		3,081
Result for the year					-77,931	-77,931
Equity 31 December 2023	**1,978**	**0**	**791,132**	**21,717**	**- 315,327**	**499,499**
Equity 1 January 2024	**1,978**	**0**	**791,132**	**21,717**	**315,327**	**499,499**
Share based payment				1,863		1,863
Result for the year					-167,588	-167,588
Equity 31 December 2024	**1,978**	**0**	**791,132**	**23,580**	**- 482,915**	**333,774**

Section 1 — General information and accounting policies

1.1 Corporate information

Airthings ASA ('the Company') is a publicly listed company on Oslo Stock Exchange, with the ticker symbol AIRX. Airthings ASA is incorporated and domiciled in Norway.

The Company's principal offices are located at Wergelandsveien 7, 0167 Oslo, Norway. The Company´s financial statements for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 26 March 2025.

Airthings has been granted exemption from the Norwegian Tax Authority to publish its Annual Report in English only.

The Company, as used in these financial statements, is the Parent Company under the Consolidated Financial Statements also included in this Annual Report.

1.2 Basis of preparation

Airthings financial statements have been prepared in accordance with Norwegian Accounting Act and generally accepted accounting principles (NGAAP). The functional and presentation currency of the parent company is Norwegian krone ("NOK").

Going Concern

The annual accounts have been prepared based on the going concern assumption in accordance with section 3-3a of the Norwegian Accounting Act. This is based on the Group's plans, budgets and level of activity going forward.

1.3 General accounting principles

Airthings has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. A summary of the Company's general accounting are presented below:

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method.

1.4 Significant accounting judgments, estimates and assumptions

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

1.5 Revenues

Income from sale of goods and services are recognized at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from sale of goods are recognized in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale of software as a service (SaaS)

The Company also has revenue from license fees, which are SaaS contracts consisting of a software licensing model where software is licensed on a subscription basis and centralized on Airthings platform. Revenue from SaaS arrangements, where the customer cannot take possession of the software license and where the software license cannot be separated from its related hosting services are considered as "right to access" licenses and revenue is recognized over time (i.e. the subscription period).

1.6 Share-based payments

Airthings has a share-based payment program where all employees are granted share options when they commence in their position.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (the Black-Scholes-Merton Model).

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

1.7 Pensions

The Company has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The scheme is a defined contribution plan. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

1.8 Goodwill

Recognized goodwill in the Company is derived from the merger with Airtight in 2021. Goodwill is depreciated over five years. In addition, goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

1.9 Intangible assets

Expenditure on own Research and Development are expensed as and when they incur. Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortized linearly over the asset's expected useful life.

1.10 Fixed assets

Property, plant and equipment ("PP&E") are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Costs related to leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period.

1.11 Impairment of intangible and fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

1.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Sensors and components: Sensors and other critical items that are utilized in production. Purchase cost on a first-in/ first-out basis (FIFO)
- Finished goods: Stock keeping units. Cost of direct materials, direct wages, packaging and a proportion of manufacturing overheads based on the normal operating capacity

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.13 Investments in Subsidiaries

Investments in subsidiaries are valued at cost in the Company's financial statements. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with the generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

1.14 Receivables

Trade receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables. Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

1.15 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities have been recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

1.16 Provisions

Provision for warranties and service work for completed projects /sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognized in the income statement on a straight-line basis over the warranty and service period.

1.17 Foreign currencies

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary assets, receivables and liabilities are translated at the exchange rate on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period. Foreign currency gains or losses are reported as foreign exchange gain or foreign exchange loss in finance income or finance costs.

Section 2 — Profit or loss items

2.1 Revenues

Revenues (NOK 1,000)	2024	2023
Revenues from sale of goods (hardware)	398,150	332,705
Revenues from services performed (software)	29,305	25,342
Total	**427,455**	**358,046**

Geographical distribution (NOK 1,000)	2024	2023
EMEA	110,514	86,480
North America (USA and Canada)	316,941	271,566
Total	**427,455**	**358,046**

2.2 Employee benefit expenses, remuneration to Corporate Management, Board of Directors and Auditors

Salaries and personnel expenses (NOK 1,000)	2024	2023
Salaries/wages	112,766	113,700
Non-cash share based payment	1,614	2,782
Social security fees	17,711	18,068
Pension expenses	6,022	5,782
Other benefits	3,657	3,189
Skattefunn and Innovation Norway	-2,525	-1,558
Capitalized personnel cost	-8,948	-9,965
Total	**130,298**	**131,997**
Average numbers of full-time equivalents	**105**	**115**

Pension obligations

Airthings ASA has a pension scheme that meets the requirements set out in the Obligatory occupational pension Act. At 31 December 2024, Airthings ASA's pension scheme had 105 members (2023: 121 members). The cost of pension is specified in the above table.

Share-based payment

For information about share-based payment plans, see note 6.8 to the consolidation financial statments.

Remuneration of Corporate Management and Board of Directors

Information about remuneration of the Board of Directors and the executive management is included in Note 7.1 to the consolidation financial statements. For information about share-based payment plans, see Note 6.8 to the consolidation financial statements.

Remuneration of auditors (NOK 1,000)	2024	2023
Statutory audit	1,685	1,520
Tax advisory and other services	55	96
Total remuneration to auditors	**1 740**	**1,617**

2.3 Other operating expenses

Lease

Lease object (NOK 1,000)	Expiration of agreement	Annual lease
Office space in Oslo	31.05.2027	8,724
Office space in Bergen	30.06.2026	216
Total		**8,940**

2.4 Government grants

Grant from Innovation Norway

In 2023, Airthings ASA received funds from Innovation Norway related to a R&D project with final reporting 31 March 2025. A maximum grant of 17.0 MNOK and a growth loan of maximum 24 MNOK were awarded to the Company. The Company received 5.1 MNOK of the grant and 14.0 MNOK of the growth loan in a first installment of the funding. The Company has decided to terminate the project following a more focused strategy as communicated to the market in relation to release of the second quarter results on 21 August 2024. The Company expect to repay 0.4 MNOK of the grant of 5.1 MNOK and start to repay the growth loan of 14.0 MNOK in accordance with the agreed repayment plan of 7 years. First scheduled repayment is expected to be in October 2025. The grant related to expenses is presented on an net basis as a cost reduction. The grants related to an asset recognised as a reduction of the asset.

SkatteFUNN

In 2023, Airthings ASA received a three-year SkatteFUNN grant from the Norwegian Research Council (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry). SkatteFUNN related to expenses is presented on a net basis as a cost reduction. The grants related to an asset recognised as a reduction of the asset.

Government grants in the income statement:

Grants (NOK 1,000)	Line item	2024	2023
Grant from Innovation Norway	Other operating expenses	1,606	1,262
Grant from SkatteFUNN - A	Employee benefit expenses	2,525	1,558
Grant from SkatteFUNN - B	Other operating expenses	889	554
Total government grants recognized		**5,020**	**3,374**

Government grants in the statement of financial position:

Grants (NOK 1,000)	Line item	2024	2023
Grant from Innovation Norway	Other current liabilities	-399	-2,877
Grant from SkatteFUNN	Other receivables	4,750	4,750

2.5 Finance income and cost

Finance income (NOK 1,000)	Notes	2024	2023
Other interest income		3,696	4,146
Profit on foreign exchange		19,205	3,295
Total finance income		**22,901**	**7,441**

Finance costs (NOK 1,000)		2024	2023
Other interest expenses		6	12
Other financial expenses		2,679	1,321
Interest on loan from Innovation Norway	3.2	1,104	554
Total finance costs		**3,788**	**1,887**

Foreign exchange (NOK 1,000)	2024	2023
Foreign exchange gain	31,504	35,512
Foreign exchange loss	12,299	32,217
Net foreign exchange gain (loss)	**19,205**	**3,295**

2.6 Income tax

This year's tax expense (NOK 1,000)	2024	2023
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Prior period adjustment	0	0
Change in deferred tax assets	60,307	- 20 953
Tax expense on ordinary profit/loss	**60,307**	**- 20 953**

Taxable income (NOK 1,000)	2024	2023
Ordinary result before tax	-107,334	-98,884
Permanent differences	-3,034	-2,019
Change in temporary differences	13,527	16,329
Taxable income	**-96,842**	**-84,574**

Payable tax in the balance (NOK 1,000)	2024	2023
Payable tax on this years' result	0	0
Tax on reversed losses	0	0
Total payable tax in the balance	**0**	**0**

The tax effect of temporary differences and loss carried forward that has formed the basis for deferred tax and deferred tax assets, specified on types of temporary differences

Temporary differences (NOK 1,000)	2024	2023	Difference
Tangible assets	- 5,828	5,448	11,276
Inventory	- 3,257	- 312	2,946
Receivables	- 2,751	- 4,434	- 1,682
Provisions	- 8,683	- 7,696	
Total	**- 20,520**	**- 6,994**	**13,527**
Accumulated loss to be carried forward	- 484,059	- 387,217	84,574
Tax effects as part of merger	- 3,974	6,798	5,661
Basis for deferred tax assets	- 500,605	- 401,008	95,242
Deferred tax assets (22%)	**- 110,133**	**- 88,222**	**21,911**
Accumulated loss off balance sheet	**373,721**	**0**	**- 373,721**
Deferred tax assets off balance sheet (22%)	**82,219**	**0**	**- 82,219**
Deferred tax assets (22%)	**- 27,914**	**- 88,222**	**- 60,307**

Section 3 — Balance sheet items

3.1 Inventories

Inventory (NOK 1,000)	2024	2023
Finished goods	66,527	80,410
Components	41,715	66,961
Acquisition cost 31 December	**108,242**	**147,371**
Inventories valued at purchase cost	111,499	147,683
Inventories valued at net realisable value	108,242	147,371
Write-down for obsolescence	**3,257**	**312**

In 2024, it was booked an allowance for obsolete inventory of finished goods of NOK 2,946 thousands.

In 2023, it was booked an allowance for obsolete inventory of finished goods of NOK 312 thousands.

There were no writedowns of components in 2024 and 2023.

3.2 Receivables, interest-bearing liabilities, pledged assets and guarantees etc.

Receivables which fall due later than one year after the expiry of the financial year (1,000 NOK)	2024	2023
Inter company receivables	278	47,323
Employers provisions related to share based compensation	548	1,098
Total	**827**	**48,421**

Interest-bearing liabilites and debt secured by collateral (NOK 1,000)	2024	2023
Short- term interest-bearing liabilites secured by collateral- maturity less than 1 year	700	0
Long- term interest-bearing liabilities secured by collateral- maturity 1-5 years	8,400	9,100
Long- term interest-bearing liabilities secured by collateral- maturity more than 5 years	4,900	4,900
Total	**14,000**	**14,000**

Book value of pledged assets (NOK 1,000)	2024	2023
Property, plant and equipment	2,825	3,735
Inventories	108,242	147,371
Trade receivables	142,395	85,506
Total	**253,461**	**236,613**

Pledged amount (NOK 1,000)	2024	2023
Pledge on inventories	124,000	124,000
Pledge on operating assets	124,000	124,000
Pledge on trade receivables	124,000	124,000
Total	**372,000**	**372,000**

Covenants

For information about covenants, see note 6.2 to the consolidation financial statements.

3.3 Other payables and other current liabilities

Other payables (NOK 1,000)	2024	2023
Public duty payable	9,334	9,579
Total	**9,334**	**9,579**

Other current liabilities (NOK 1,000)	2024	2023
Wages and holiday pay (included tax)	18,968	17,534
Other provisions	30,751	13,443
Accrued revenue	13,972	14,776
Total	**63,691**	**45,754**

Total other payables and other current liabilities	**73,025**	**55,333**

Section 4 — Related parties

4.1 Subsidiaries

Investments in subsidiaries are booked according to the cost method.

Company	Location	Ownership/ voting rights	Currency	Equity per 1.1.	Annual net profit/loss	Equity per 31.12.
Airthings America INC	USA	100%	USD	-164,822	-65,665	-230,487
Airthings AB	Sweden	100%	SEK	2,602,848	131,741	2,734,588

Book value of investment in balance sheet of Airthings ASA	Amount (NOK 1,000)
Airthings America INC	1,599
Airthings AB	315
Total	**1,914**

4.2 Related parties

Receivables on subsidiary Airthings America INC (NOK 1,000)	2024	2023
Receivables on Airthings America INC	0	36,623
Receivables on Airthings AB	278	10,700
Total	**278**	**47,323**

Transactions with subsidiary Airthings America INC (NOK 1,000)	2024	2023
Sale of goods to Airthings America INC	69 645	93,232
Sale of goods to Airthings AB	17 243	18,471
Purchase of services and cost allocation from Arthings America INC	20 549	7,273
Purchase of services and cost allocation from Arthings AB	3 414	4,278

Transactions with shareholders (NOK 1,000)	2024	2023
Rent of premises from Energy Control AS	0	233
Sale of goods to Energy Control AS	1,719	3,517
Fees invoiced from Firda AS	942	848

Section 5 — Fixed assets

5.1 Intangible assets

Amounts in NOK 1,000	Goodwill	Internally generated intangible assets	Software and systems	Technology	Total
Acquisition cost 1 January 2024	26,419	25,209	**12,528**	**26,301**	**90,457**
Additions	-	12,172	-	1,529	13,701
Transfer of finished development projects	-	30,428	-	30,428	-
Disposals	-	-	-	-	-
Acquisition cost 31 December 2024	**26,419**	**6,953**	**12,528**	**58,258**	**104,158**
Accumulated depreciations as at 31 December 2024	26,419	-	12,036	27,300	65,755
Net book value as at 31 December 2024	**-**	**6,953**	**492**	**30,958**	**38,403**
Depreciation in the year	5,661	-	3,249	8,766	17,676
Write-down in the year	3,774	-	-	-	3,774
Depreciation rate (%)	20%		20%	33%-20%	
Depreciation plan	Linear		Linear	Linear	
Economic useful life	5 Years		5 Years	3-5 Years	

5.2 Property plant and equipment

Amounts in NOK 1,000	Property, plant and equipment	Total
Acquisition cost as at 1 January 2024	**12,335**	**12,335**
Additions	783	783
Disposals		
Acquisition cost as at 31 December 2024	**13,118**	**13,118**
Accumulated depreciations as at 31 December 2024	10,294	10,294
Net book value as at 31 December 2024	**2,825**	**2,825**
Depreciation in the year	1,694	1,694
Depreciation rate (%)	20% — 33%	
Depreciation plan	Linear	
Economic useful life	3 — 5 years	

Section 6 — Financial instruments and equity

6.1 Cash and cash equivalents

Restricted cash (NOK 1,000)	2024	2023
Restricted tax deductions	4,633	4,648
Restricted cash	5,733	5,688

6.2 Financial risk management

Overview

The parent company is exposed to a range of risks affecting its financial performance, including but not limited to liquidity risk, credit risk, increased tariffs, and market risks relating to changes in interest rates and foreign currency exposure. The parent company seeks to minimize the potential adverse effects of such risks through sound business practice and risk management.

Market risk

Financial instruments affected by market risk include interest-bearing debt, cash and cash equivalents, trade receivables and trade and other payables.

Interest rate risk

The Company's borrowings have historically been exposed to interest rate fluctuations. The Company had USD 1.2 million in interest bearing debt at the end of 2024, and the Board of Directors considers the risk associated with interest rate fluctuations to be low.

Foreign currency risk

The parent compant is exposed to currency fluctuations due to the international nature of its operations. The Company's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Company's operating activities (revenue and expenses denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

A significant part of revenues and cost of goods sold are denominated in USD, with a smaller portion incurred in EUR, NOK, CAD and GBP. Most of its operating expenses are incurred in NOK. Further, the Group could potentially be negatively impacted by fluctuations in other currencies in the future. The Group does not currently hedge currency exposure with the use of financial instruments but does employ natural hedges, e.g. retaining revenues in USD to make payments to suppliers with USD as the contract currency, to the extent possible and monitors the net exposure over time.

Other market risks

The potential implementation of additional trade tariffs by the United States could negatively impact Company's cost structure and profit margins on products exported to the U.S. market, which represents a significant portion of the Company's revenues. The Company has outsourced production of its products to partners in Israel, Tunisia, Malaysia and China. Timing and levels of potential tariffs are uncertain, and management is working on mitigating activities.

War in Ukraine — the ongoing war does not currently impact the Company directly, as it has no operating presence in either Russia, Belarus or Ukraine. Indirect effects however, such as financial market volatility, sanctions related knock-on effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Company's management continues to monitor the situation and has an ongoing assessment of potential impact on the Company's financial results and financial position.

War in Israel/Gaza – the ongoing war in Israel/Gaza is not currently impacting the Company, despite the Company having limited production in Israel. The Company's contract manufacturer for one product is located near Tel Aviv and therefore not in direct proximity to the ongoing armed conflict. The Company's exposure is very limited, but management continues to monitor the situation and has an ongoing assessment of potential impact on the Company's financial results and financial position.

Credit risk

The Company is mainly exposed to credit risk from its operating activities. The Company has a relatively high customer concentration with the two largest customers. Due to this credit risk is also concentrated. However, the credit risk is considered generally low in the Consumer segment, where most sales are made to well established and creditworthy third parties or sold directly with immediate payment. In the Business segment, the credit risk is considered to be slightly higher. The Group has strong relationships with its business customers and receivable balances are monitored on a continuous basis.

It is the Company's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, including an assessment of credit rating, short-term liquidity, and financial position. Exceptions to the Company's standard credit terms must be approved by the Airthings finance department.

The Company's exposure to losses has historically been low. However, increased business outside the US and home markets may expose Airthings to different credit risk environments. The Board of Directors deems the credit risk to be at an acceptable level given the current scope of operations and outlook of the Company.

Liquidity risk

The Company supervises its risk by monitoring its cash balances and working capital exposure, as well as production commitments to main contract manufacturers. The Company's liquidity position weakened during 2024. Over the last year, the Company has strengthened its focus on optimizing business operations, reducing current and incoming inventories and collecting overdue receivables.

The Company's cash position was NOK 86.3 million on 31 December 2024. The Company also has access to liquidity through a revolving credit facility (RCF) with Danske Bank. This was initially entered for USD 8 million in Q1 23, lowered to USD 6 million in Q1 24 with a further reduction to USD 5 million from February 2025. The reduction reflects the overall improved working capital situation.

The Board of Directors and Management continuously monitors the Company's liquidity position through detailed cash flow forecasts covering both short-term operational needs and longer-term strategic initiatives.

The current operational plans are expected to be covered by the current funding. It is the Board of Directors' assessment that the liquidity risk is considered to be at a reasonable level, however, negative deviations to the current plans could give a distressed liquidity situation and the development will be monitored carefully.

6.3 Share capital and shareholders information

The share capital of Airthings ASA as of 31 December 2024 was NOK 1,977,584.46 consisting of 197,758,446 ordinary shares at NOK 0.1 per share. The Company's shares have equal voting rights. For information of shareholder see Note 6.7 the consolidated financial statements.

Section 7 — Other disclosures

7.1 Events after the reporting period

Adjusting events

There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events

RCF

On 5 February 2025, Airthings received credit approval for renewal of the RCF. The size of the new facility is reduced to USD 5.0 million. The RCF has a tenor of 11 months and falls due 31 December 2025.

Alternative performance measures

This section includes information about alternative performance measures (APMs) applied by the Group.

These alternative performance measures are presented to improve the ability of stakeholders to evaluate the Group's operating performance.

The Group applies the following APMs:

Annual recurring revenue (ARR)

ARR is the value of annualized sales from all active subscriptions, licenses and service contracts within the Airthings for Business and Professional segments. The calculation is based on monthly subscription fees as at 31 December (MRR), multiplied by 12 in order to represent an annualized figure. The numbers presented in the table below are translated from NOK to USD applying the average NOK/USD exchange rate for 2023 and 2022 respectively. ARR is considered an important supplemental measure for stakeholders to get an overall understanding of revenue generation within the Group's operating activities.

(USD 1,000)	2024	2023
MRR December	368	348
ARR	**4,411**	**4,175**

EBITDA

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) is used to provide consistent information on Airthings' operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders when evaluating the financial performance of the Group. EBITDA, as defined by Airthings, includes total operating revenue and excludes depreciation, amortization and impairment loss. For a reconciliation of EBITDA, refer to the consolidated statement of profit or loss.

EBITDA (USD 1,000)	2024	2023
Revenue	38,496	36,592
EBITDA	**-9,062**	**-6,832**
EBITDA margin	**-24%**	**-19%**

Gross profit margin

Gross profit margin is defined as revenue less cost of goods sold as a percentage of total revenue. Management believes that this measure is important for the users of the financial statements to determine the profitability and the financial performance of the Group.

Gross profit margin (USD 1,000)	2024	2023
Revenue	38,496	36,592
Cost of goods sold	16,842	14,302
Gross profit	**21,653**	**22,290**
Gross profit margin	**56%**	**61%**

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To the General Meeting of Airthings ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Airthings ASA.

The financial statements comprise:	In our opinion:
The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	The financial statements comply with applicable statutory requirements. The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, 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. The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Airthings ASA for 9 years from the election by the general meeting of the shareholders on 5 December 2016 for the accounting year 2016.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Valuation and existence of inventories As at 31 December 2024, the Group has recognised inventories of USD 10.5 million net of allowance for obsolete finished goods of USD 303 thousands. As described in note 3.1 to the financial statements, inventories are measured at the lower of cost and net realisable value. Determining the net realisable value of inventory involves judgement, and to assess the amount of any write-down of inventories, management has taken into consideration the age distribution of inventory items and whether the items are part of an active or expired product range. We identified inventories as a key audit matter due to its materiality and the risk of misstatement associated with the valuation and existence of inventories.	Our audit included, but was not limited to, the following procedures: We obtained an understanding of the company's inventory policies and procedures, including the methods used to value inventory and the company's system for tracking and monitoring inventory. We performed physical inventory observations at selected locations and compared the results to the inventory records to evaluate the completeness and accuracy of the company's inventory counts. We tested the company's inventory controls, including its procedures for receiving, storing, and shipping inventory. We performed substantive audit procedures in order to test the adequacy of inventory valuation at the lower of cost and net realisable value at reporting date.
Recognition and recoverability of deferred tax assets As at 31 December 2024, the Group has recognised deferred tax assets of USD 2.7 million. In note 2.9 to the financial statements, the Group describes that deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which tax losses can be utilised.	Our audit included, but was not limited to, the following procedures: We obtained an understanding of the Group’s processes relating to the calculation and valuation of deferred taxes We evaluated the Group’s forecasts of future taxable profit and assessed the reasonableness of the assumptions used. We reviewed the Group's analysis of the recoverability of deferred tax assets and evaluated the likelihood of realisation.

In accordance with group accounting policies, a four-year period is applied for assessment of the probability that tax losses can be utilized. Management expects that it will take a couple of more years before the historical tax losses will be fully utilised, and consequently, a significant part of the deferred tax assets was derecognised in 2024, which increased the tax expense USD 6.6 million. We identified deferred tax assets as a key audit matter due to its materiality, and the significant judgments and underlying assumptions applied by the management in determining the recoverability of deferred tax assets.	We assessed the adequacy of the disclosures related to deferred tax assets, including the description of the underlying assumptions and judgments made by management.
Impairment of goodwill Management performs an annual goodwill impairment test to assess whether an impairment loss has incurred. The determination of recoverable amount requires application of significant judgment by management, in particular with respect to cash flow forecasts and the applied discount rates. In December 2024, the impairment test resulted in a goodwill impairment loss of USD 2.6 million, which corresponded to the entire goodwill recognised prior to the impairment loss. Hence, the Group has not recognised any goodwill as at 31 December 2024. Due to the materiality, complexity and estimation uncertainty concerning goodwill, we consider impairment of goodwill a key audit matter to the audit of the Group. We refer to notes 5.1 and 5.2 to the consolidated financial statements for disclosed information about goodwill and impairment test.	Our audit procedures included an assessment of the key assumptions applied in the valuation model, including revenue growth, EBITDA margin, terminal growth rate and discount rate. We involved our internal valuation specialists to assist us with our assessment of the discount rates, expected inflation rates and the appropriateness of the model used. In addition, we performed the following audit procedures: We evaluated the reliability of estimates performed by management by comparing forecasts made in prior years to actual outcomes We verified key inputs in the calculations to management's forecasts We tested the mathematical accuracy of the valuation model. Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering impairment.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other 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 other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Directors' report

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

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

Our opinion on the Board of Director's report applies correspondingly for the statement on Corporate Governance.

Responsibilities of the Board of Directors and the Managing Director 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Airthings ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Airthings ASA 2024-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

BDO AS

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


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