AIRTHINGS

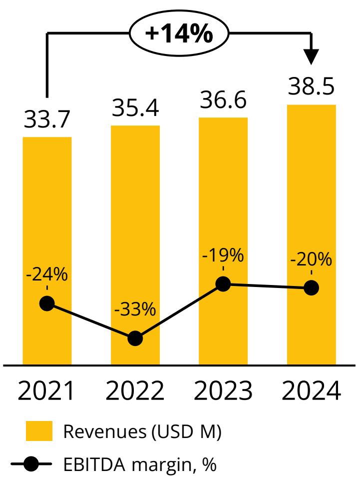
Q4 and full year report 2024

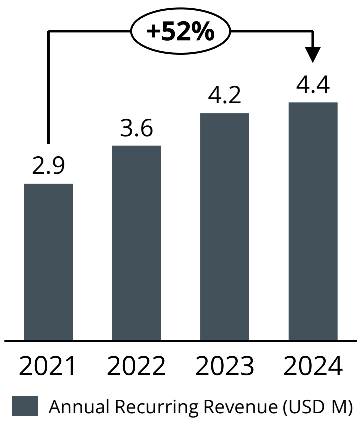
Airthings at a glance

A hardware-enabled software company solving real issues

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

Continued growth





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

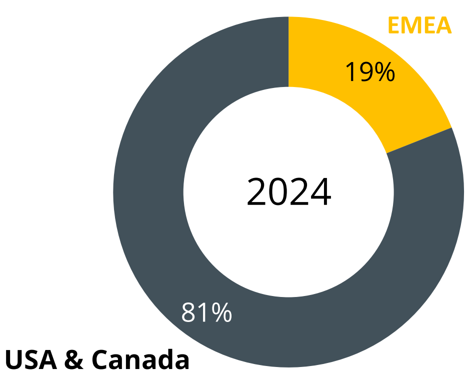
Sustainability

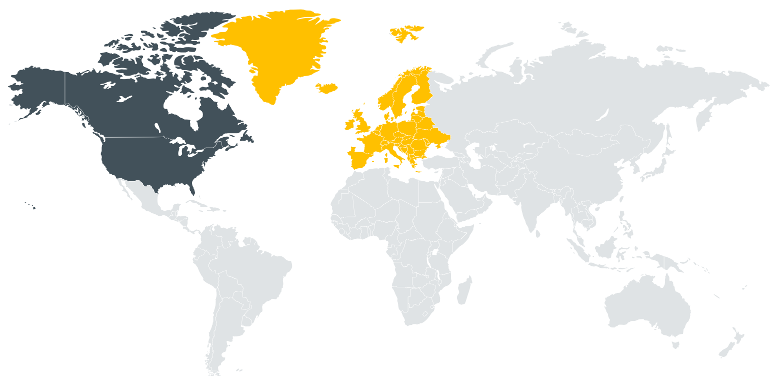
Energy efficiency

Regulations

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 the EU and North America
Airthings at home

130M

offices in the EU and North America
Airthings at work

9M

classrooms in the EU and North America
Airthings at schools

Comments from the CEO

In 2024, we updated our strategy to capitalize on evolving market dynamics and consumer priorities. People's awareness of indoor air quality (IAQ) increased rapidly, driven by personal health focus, safety concerns related to radon and wildfires, as well as a general consumer interest in easy-to-use devices. Strong underlying consumer demand at times exceeded our capacity to deliver.

We shipped more than 320,000 consumer devices in 2024, up 40 percent from 2023 . More and more people now consider indoor air quality as a "must have", rather than a "nice to have". As we expect this trend to continue, we remain committed to driving innovation, expanding our market share and leveraging our strong position to ensure profitable growth.

Revenues in 2024 were at USD 38.5 million, up 5 percent compared to 2023. Growth dynamics were different in our two main segments. In the Consumer segment, which represented close to 80 percent of all revenues last year, a strong increase in devices sold generated an underlying revenue growth of 25 percent. Revenues in the Business segment declined 35 percent, but with consistent improvement throughout the year and revenue growth the last three quarters of 2024.

Despite positive trends for awareness and demand, margins came under significant pressure. High volumes were sold at pre-planned high velocity events, leading to pressure on average sales prices in certain channels. A combination of one-off effects, channel mix effects and promotions affected Q4 margins negatively, leading to a gross margin decline from 61 to 56 percent for the year. We effectively adjusted our operating model and organization and entered 2025 with a reduced cost base. Improved margins will be a main priority as we reiterate our target of positive EBITDA in the second half of 2025 and for the full year 2026.

Airthings has recently entered into a distribution agreement with Target Corp., a leading US retailer, covering select stores in the US. Target will distribute Airthings' most popular products, including View Plus, Wave Enhance and the recently announced next generation radon detector Corentium Home 2. Airthings' products will also be available through target.com. We are pleased to announce the launch of this partnership with Target which will strengthen our retail distribution footprint across the US. As this relationship develops, we look forward to the opportunities it will create in the years ahead.

Consumer health awareness, increased knowledge about the effects of indoor air quality, as well as stricter government relations will continue to drive demand. Looking ahead, we therefore see substantial opportunities across both the Consumer and Business segments.

I want to thank our employees for their dedication, and our shareholders for their continued support, as we empower people to breathe better at home, at school and at work.

All the best,

Emma Tryti
CEO, Airthings

Key highlights

Record-high revenues in the Consumer segment with quarterly revenues of USD 7.9 million, up 12 percent YoY and growing 25 percent adjusted for a one-time item.

Shipped over 320,000 consumer devices in 2024 (+40%), supported by continued strong demand in US and Canada.

Reduced inventory levels, and positive cash flow from operations.

Margin weakness in Q4 with gross profit impacted by one-off items, inventory impairment and channel mix.

Q4 revenues of
USD 10.3m

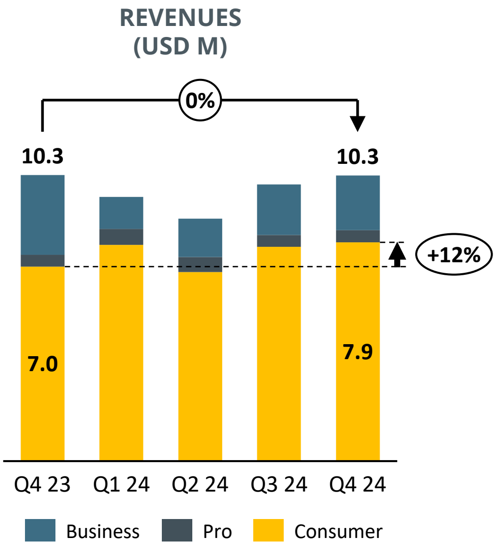
stable versus Q4 23 despite a 31 percent decline in the Business segment and a USD -0.9 million revenue impact from buyback of inventory in the Consumer segment.

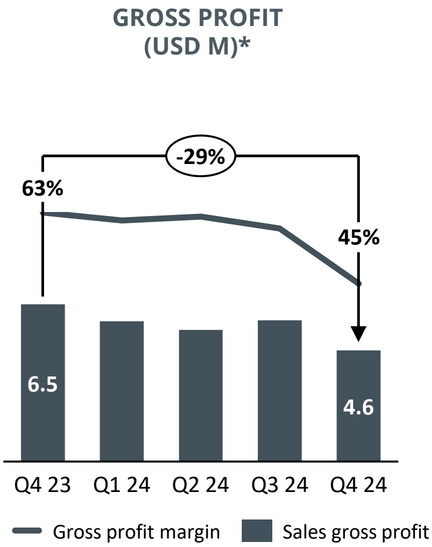
Q4 gross profit of
USD 4.6m

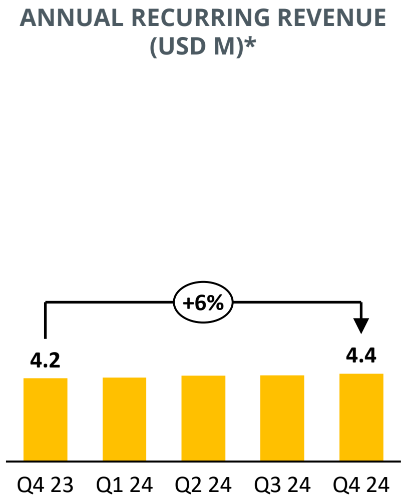
down 29 percent from USD 6.5 million in Q4 23, negatively impacted by one-time items and sales channel mix.

Q4 total ARR of
USD 4.4m

up 6 percent YoY, driven by growth in both the Business and Pro segments.







*Alternative performance measures, see page 34-35

Operational review

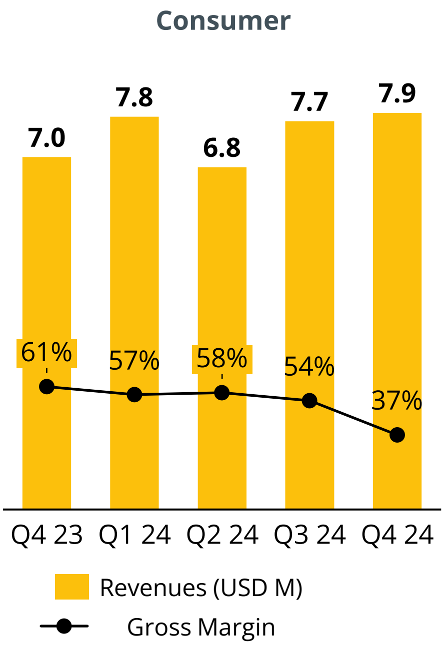
Revenues and sales mix

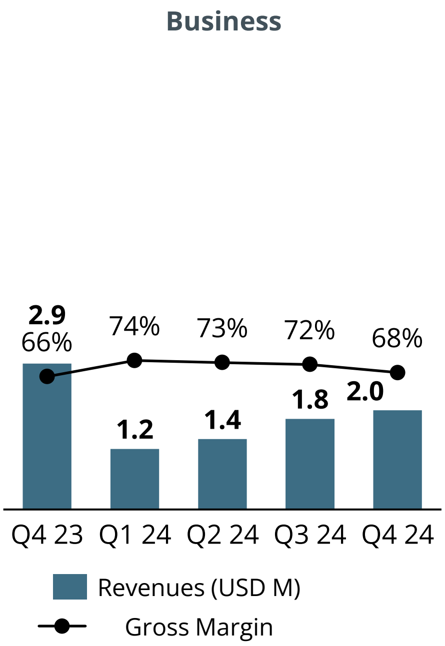
Airthings delivered revenues of USD 10.3 million in Q4 24, on par with the same quarter last year. Revenues included a negative one-off effect of USD 0.9 million related to the buyback of inventory disclosed in the Q3 24 report. Adjusted for this, the revenue growth was 8 percent, driven by a 25 percent underlying growth in the Consumer segment.

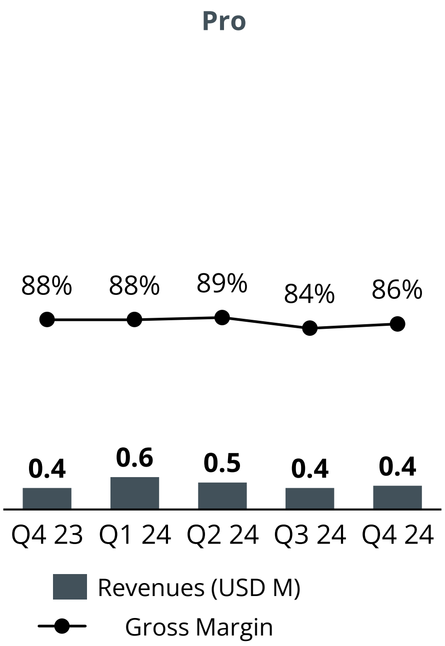
Growth dynamics were different among consumers versus businesses. The Consumer segment reached all-time-high revenues of USD 7.9 million in Q4 24, corresponding to a 12 percent growth year-on-year. Adjusted for the buyback of inventory, revenues were USD 8.7 million, corresponding to a 25 percent growth year-on-year. Increased awareness of indoor air quality continued to drive strong underlying demand. As a result, Airthings shipped more than 100,000 devices in Q4 24, a growth of 60 percent compared to the same quarter last year. Device registration among consumers increased 12 percent compared to the equivalent quarter last year.

Sales in the Business segment were USD 2.0 million, down 31 percent from Q4 23 which included revenues of USD 1.4 million from one large deal. Sales in the Business segment has been growing quarter-on-quarter for three consecutive quarter during 2024, backed by a healthy underlying run-rate, steady deal flow and increased share of repeat sales. The number of devices in the field increased 22 percent year-on-year in Q4 24, following rollouts among large enterprise customers.

Annual recurring revenue (ARR) came in at USD 4.4 million in Q4 24. This represented a growth of six percent year-on-year, mainly driven by the Business segment.







Gross margin and operational expenditures (OPEX)

Gross profit was USD 4.6 million in Q4 24, down 29 percent from USD 6.5 million in Q4 23. The gross profit margin was 45 percent in Q4 24, compared to 63 percent in Q4 23. The decline was mainly due to the USD 0.9 million effect from the inventory buyback, in addition to a write-down of slow-moving inventory of approx. USD 0.3 million. As in Q3 24, the Q4 gross margin was also impacted negatively by a larger share of total revenues coming from Consumer sales, as well as by the channel sales mix within Consumer.

The Consumer segment reported gross profit of USD 2.9 million in the quarter, equal to a gross profit margin of 37 percent, down from a gross profit of USD 4.3 million and a gross profit margin of 61 percent in Q3 23. In addition to one-off items of USD 1.1 million related to the buyback and inventory write-down, the margin was further impacted by the product and channel mix. Due to rapidly increasing demand, the number of products sold at pre-planned high velocity events such as Fall Prime Day and Black Friday Week grew sharply in certain channels, negatively impacting the gross margin.

The Business segment reported gross profit of USD 1.3 million, corresponding to gross profit margin of 71 percent. The gross profit declined from USD 1.9 million in Q4 23 as a result of lower revenues. The reported gross profit included the effect of a USD 0.1 million inventory write-down. The gross margin in the Pro segment was 86 percent in Q4 24.

OPEX increased 18 percent year-on-year to USD 8.8 million. In Q4 24, we executed numerous sales activities for the Consumer segment, including several high-velocity events across our most important sales channels and preparation for the January radon month in 2025. Sales and marketing costs increased from USD 4.5 million in Q4 23 to USD 5.7 million in Q4 24, driven by increased freight costs related to higher volumes, as well as partner and retailer commissions. Research and development costs rose USD 0.3 million to USD 1.8 million as we focused on developing engaging customer experiences for our connected products and thus capitalized fewer hours related to hardware development.

General and administrative costs were on par with 2023, supported by downsizing and strict cost control. The OPEX increase was driven primarily by increased sales and marketing costs related to topline growth in certain channels, lower R&D capitalization rate and lower public grants. Personnel costs decreased 7 percent in Q4 24. Airthings had 106 full-time employees per year end, compared to 132 full-time employees at the end of Q2 24.

The reported EBITDA in Q4 24 was negative USD 4.2 million, compared to EBITDA of negative USD 1.0 million in Q4 23, impacted by one-off items, higher OPEX and higher sales and marketing costs. EBIT for Q4 24 was USD -7.4 million, impacted by a USD 2.6 million impairment of goodwill (see note 7).

Improving the working capital continued to be a main priority. The inventory was reduced from USD 15.3 million at the end of 2023 to USD 10.5 million by year-end 2024. 34% of the inventory is components and 56% finished goods. The target for the days of inventory was a reduction to below 250 days and ended at 224 days, down from 333 days end of Q3 24. Maintaining a healthy inventory level will be a priority also in 2025.

Outlook and guidance

Airthings reported revenues of USD 10.3 million in Q4 24, within the USD 9.5 – 12.0 million guidance range provided in the Q3 24 report, including USD 0.9 million negative impact from the battery warranty case.

The first quarter is seasonally a strong period for radon equipment with reorders from key distribution partners following large sales events and the January radon awareness month in the United States and Canada. We have seen strong sell-through numbers in January 2025 driven by radon-enabled devices. We expect the underlying positive momentum in the Business segment to continue with year-on-year growth for Q1 25 and stable development in Pro. Additional repeat purchases from Fortune 100 companies and return to office mandates are expected to drive demand for IAQ monitoring.

In total, we expect revenues to be in the range of USD 9.0-11.0 million, compared to USD 9.5 million in Q1 24. The gross margin is expected to normalize in Q1 25 and Airthings aim to be EBITDA positive for the second half of 2025, and for the full year 2026.

Guidance (USD m)	Q1 2025
Revenues	9.0 – 11.0

Oslo, 5 February 2025

Geir Førre
Chairman of the Board

Liv Dyrnes
Board Member

Aksel Lund Svindal
Board member

Karin Berg
Board member

Tore Havsø Sæstad
Board member

Laoise Ballance
Board member

Elisabeth Barrie
Board member

Emma Tryti
CEO

Financials

Financial highlight

Key financials (USD 1,000)	Q4 2024	Q4 2023	Δ	2024	2023	Δ
Total revenues	10,289	10,302	-0%	38,496	36,592	5%
Gross profit	4,612	6,541	-29%	21,653	22,290	-3%
Gross margin	45%	63%		56%	61%	
EBITDA	-4,223	-965		-9,062	-6,832	
EBIT	-7,399	-1,329		-13,718	-8,349	
Profit (loss) before tax	-6,513	-2,046		-12,023	-8,030	
Annual Recurring Revenue	4,411	4,175	6%	4,411	4,175	6%

Consolidated statement of profit or loss

For details related to revenue and gross profit, please see “Operational review”.

Operating expenses for the group came in at USD 8.8 million in Q4 24 and USD 30.7 million for the full year 2024, up 5% YoY from USD 29.1 million for the full year 2023. The increase was driven primarily by increased sales and marketing costs related to topline growth in certain channels, lower R&D capitalization and lower public grants. General and administrative costs were on par with 2023, supported by downsizing and strict cost control.

EBITDA came in at negative USD 4.2 million in the quarter and negative USD 9.1 million in 2024.

Depreciation, amortization and impairment was USD 3.2 million in Q4 24 and USD 4.7 million in 2024, driven by impairment of the goodwill of USD 2.6 million and depreciation of internally generated intangible assets and right-of-use assets for leases recognized under IFRS 16 (see note 7).

EBIT came in at negative USD 7.4 million in Q4 24 and negative USD 13.7 million in 2024.

Net financial items consist primarily of exchange rate fluctuations between USD and NOK, interest expense on the growth loan from Innovation Norway, and interest expense on the IFRS 16 lease liability.

Loss before taxes ended at USD 6.5 million in Q4 24 and negative USD 12.0 million in 2024.

Tax expense was USD 6.6 million in Q4 24 and USD 5.7 million for the full year 2024 (see note 8). This resulted in a **net loss** of USD 13.1 million in Q4 24 and a **net loss** of USD 17.7 million for 2024.

Consolidated statement of financial position

Total assets at the end of Q4 24 were USD 42.9 million (end Q3 24: USD 55.8 million). Non-current assets made up USD 8.1 million (end Q3 24: USD 18.5 million), and current assets USD 34.8 million (end Q3 24: USD 37.3 million). Non-current assets mainly consisted of intangible assets, deferred tax assets and right of use assets. The reduction from Q3 24 is due to impairment of goodwill, see note 7, and tax losses carried forward not capitalized, see note 8. Current assets were mainly made up of USD 8.8 million in cash and cash equivalents, inventories and trade receivables.

The book value of **equity** was USD 28.4 million at the end of the quarter (end Q3 24: USD 44.1 million). This equated to an equity ratio of 66.3% (end Q3 24: 79.0%)

Total liabilities were USD 14.4 million at the end of Q3 24 (end Q3 24: USD 11.7 million).

Non-current liabilities were mainly made up of the growth loan from Innovation Norway (see note 10) and lease liabilities recognized under IFRS 16. Current liabilities consisted of trade payables, deferred revenue related to subscription service, public duty taxes, personnel related accruals and other accrued expenses.

Consolidated statement of cash flows

Total cash and cash equivalents balance decreased by USD 0.2 million from Q3 24 to USD 8.8 million.

Cash flow from operating activities came in at positive USD 1.3 million in Q4 24 and negative USD 2.0 million in 2024 mainly driven by a loss before tax offset by positive working capital as a result of the company's heightened focus on improving its working capital situation.

Cash flow from investment activities ended at negative USD 0.0 million in Q4 24 and negative USD 0.9 million in 2024 driven by capitalization development costs offset by interest on the growth loan from Innovation Norway.

Cash flow from financing activities was negative USD 0.2 million in Q4 24 and negative USD 1.0 million in 2024 related to payments of lease liabilities recognized under IFRS 16.

Consolidated statement of profit or loss

Amounts in USD 1,000	Notes	Q4 2024	Unaudited Q4 2023	2024	Audited 2023
Revenues	4, 5	10,289	10,302	38,496	36,592
Total revenues		**10,289**	**10,302**	**38,496**	**36,592**
Cost of goods sold	7	5,677	3,761	16,842	14,302
Employee benefit expenses	6	3,654	3,912	14,681	15,090
Other operating expenses	6	5,181	3,594	16,035	14,033
Operating profit or loss before depreciation & amortization (EBITDA)		**-4,223**	**-965**	**-9,062**	**-6,832**
Depreciation, amortization and impairment	7	3,176	364	4,656	1,517
Operating profit or loss (EBIT)		**-7,399**	**-1,329**	**-13,718**	**-8,349**
Net financial items		885	-717	1,695	320
Profit (loss) before tax		**-6,513**	**-2,046**	**-12,023**	**-8,030**
Income tax expense	8	6,567	-525	5,668	-1,772
Profit (loss) for the period		**-13,080**	**-1,521**	**-17,690**	**-6,258**
Profit (loss) for the year attributable to:					
Equity holders of the parent company		-13,080	-1,521	-17,690	-6,258
Earnings per share:					
Basic earnings per share	12	-0.07	-0.01	-0.09	-0.03
Diluted earnings per share	12	-0.07	-0.01	-0.09	-0.03

Consolidated statement of comprehensive income

Amounts in USD 1,000	Notes	Q4 2024	Q4 2023	2024	2023
			Unaudited		Audited
Profit (loss) for the period		**-13,080**	**-1,521**	**-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		-2,612	2,112	-4,280	-1,838
Total items that will not be reclassified to profit or loss		**-2,612**	**2,112**	**-4,280**	**-1,838**
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		-22	-2	-23	-3
Total items that may be reclassified to profit or loss		**-22**	**-2**	**-23**	**-3**
Other comprehensive profit (loss) for the period		**-2,634**	**2,111**	**-4,303**	**-1,841**
Total comprehensive profit (loss) for the period		**-15,714**	**590**	**-21,993**	**-8,099**
Total comprehensive profit (loss) attributable to:					
Equity holders of the parent company		-15,714	590	-21,993	-8,099

Consolidated statement of financial position

Amounts in USD 1,000	Notes	Unaudited 31.12.2024	Audited 31.12.2023
ASSETS			
Non-current assets			
Goodwill	7	0	2,783
Intangible assets	7	3,383	3,610
Deferred tax assets	8	2,690	8,849
Property, plant and equipment		411	639
Right-of-use assets		1,569	2,520
Other non-current assets	13	53	111
Total non-current assets		**8,104**	**18,510**
Current assets			
Inventories		10,481	15,320
Trade receivables		10,766	11,175
Other receivables		4,702	5,096
Cash and cash equivalents	9	8,834	14,553
Total current assets		**34,783**	**46,143**
TOTAL ASSETS		**42,888**	**64,653**

Amounts in USD 1,000	Notes	Unaudited 31.12.2024	Audited 31.12.2023
EQUITY AND LIABILITIES			
Equity			
Share capital	11	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	10	1,171	1,376
Non-current lease liabilities		1,003	1,903
Other non-current liabilities	13	48	108
Total non-current liabilities		**2,223**	**3,388**
Current liabilities			
Current interest-bearing liabilities	10	62	0
Current lease liabilities		770	885
Trade and other payables		8,044	6,526
Contract liabilities		1,546	1,368
Income tax payable		0	73
Other current liabilities	10	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, 5 February 2025

Geir Førre
Chairman of the Board

Liv Dyrnes
Board Member

Aksel Lund Svindal
Board member

Karin Berg
Board member

Tore Havsø Sæstad
Board member

Laoise Ballance
Board member

Elisabeth Barrie
Board member

Emma Tryti
CEO

Consolidated statement of cash flows

			Unaudited		Audited
Amounts in USD 1,000	**Notes**	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Cash flows from operating activities					
Profit (loss) before tax		**-6,513**	**-2,046**	**-12,023**	**-8,030**
Adjustments to reconcile profit before tax to net cash flows:					
Net financial items		-885	717	-1,695	-320
Depreciation, amortization and impairment	7	3,176	364	4,656	1,517
Share-based payment expense	13	32	50	173	292
Working capital adjustments:					
Changes in inventories		3,353	358	4,839	3,394
Changes in trade and other receivables		-1,052	-2,743	802	-1,057
Changes in trade and other payables and contract liabilities		3,106	1,360	1,696	606
Changes in other liabilities		72	673	-409	194
Net cash flows from operating activities		**1,287**	**-1,268**	**-1,961**	**-3,403**
Cash flows from investing activities					
Development expenditures	7	-69	-312	-1,182	-1,678
Purchase of property, plant and equipment		-41		-92	-92
Interest received		87	201	335	395
Net cash flow from investing activities		**-23**	**-110**	**-902**	**-1,375**
Cash flow from financing activities					
Proceeds from issuance of equity	11	0	21	0	7,143
Proceeds of interest-bearing liabilities	10	0	0	0	1,300
Payments for the principal portion of the lease liability		-178	-178	-730	-724
Payments for the interest portion of the lease liability		-25	-35	-118	-159
Interest paid		-25	-25	-103	-52
Net cash flows from financing activities		**-228**	**-217**	**-951**	**7,508**
Net increase/(decrease) in cash and cash equivalents		**1,037**	**-1,595**	**-3,813**	**2,730**
Cash and cash equivalents beginning of the period		9,029	15,473	14,553	13,274
Net foreign exchange difference		-1,231	674	-1,905	-1,452
Cash and cash equivalents at end of the period		**8,834**	**14,553**	**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	Other equity Retained earning	Total equity
Equity 31 December 2022	**192**	**78,979**	**2,068**	**-5,062**	**-25,248**	**50,928**
Profit (loss) for the period					-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 11)	23	7,404				7,427
Transaction cost share issues					-285	-285
Share-based payments (note 13)			292			292
Equity 31 December 2023	**215**	**86,383**	**2,359**	**-6,903**	**-31,791**	**50,264**

Amounts in USD 1,000	Share capital	Share premium	Other capital reserves	Other equity Cumulative translation differences	Other equity Retained earning	Total equity
Equity 31 December 2023	**215**	**86,383**	**2,359**	**-6,903**	**-31,791**	**50,264**
Profit (loss) for the period					-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 13)			173			173
Equity 31 December 2024	**215**	**86,383**	**2,532**	**-11,206**	**-49,481**	**28,443**

Notes

Note 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 produce 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 interim consolidated financial statements of the Group for the period ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 5 February 2025.

Reference is made to note 4.1 in the Group's consolidated financial statements for the year ended 31 December 2023 for a list of subsidiaries.

Note 2: Basis of preparation and significant accounting policies

The interim 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 selected explanatory notes. The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union ('EU').

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Airthings' 2023 consolidated financial statements as of 31 December 2023. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of Airthings' consolidated annual financial statements for the year ended 31 December 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim consolidated financial statements have been prepared on a historical cost basis. All figures are presented in United States dollar ('USD') thousands (USD 1,000), except when otherwise stated.

Further, the interim consolidated financial statements are prepared based on the going concern assumption. The macroeconomic environment has shown mixed signals during 2023, 2024 and early 2025, with persistent inflationary pressures gradually easing but still remaining above most central bank targets. While interest rates have stabilized at elevated levels, their cumulative impact continues to affect consumer spending patterns and business investment decisions. Retailers and distribution partners maintain cautious inventory management strategies, focusing on operational efficiency and working capital optimization. Though the Business segment has seen some signs of recovery, investment decisions remain measured as companies navigate the evolving economic landscape. The Board continues to monitor the situation carefully.

Presentation currency and functional currency

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. When converting from NOK to USD large items on the balance sheet, such as Equity and Cash and cash equivalents, may show significant unrealized differences when the exchange rate between these two currencies fluctuates substantially.

Note 3: Significant accounting judgements, estimates and assumptions

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.

In preparing the interim consolidated financial statements, the significant judgments, estimates and assumptions made by management in applying the Group’s accounting policies and the key source of estimation uncertainty were the same as those applied to Airthings’ annual financial statements for the year ended 31 December 2023.

Note 4: 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 - private customers
- Business - business customers such as schools, office buildings and other commercial buildings
- Professional - professional customers such as home inspectors and certified radon professionals

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

The Board of Directors is the Group's chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITDA measured consistently with operating profit or loss before depreciation and amortization. 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.

Group functions

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.

Q4 2024 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
REVENUES & PROFIT					
External customers	7,878	1,968	443		10,289
Total revenue	**7,878**	**1,968**	**443**		**10,289**
Cost of goods sold	4,992	621	63		5,677
Employee benefit expenses	476	658	99	2,422	3,654
Other operating expenses	3,246	132	126	1,676	5,181
EBITDA	**-836**	**557**	**155**	**-4,098**	**-4,223**

Q4 2023 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
REVENUES & PROFIT					
External customers	7,004	2,866	432		10,302
Total revenue	**7,004**	**2,866**	**432**		**10,302**
Cost of goods sold	2,749	962	50		3,761
Employee benefit expenses	352	940	75	2,544	3,912
Other operating expenses	1,647	389	173	1,385	3,594
EBITDA	**2,256**	**575**	**133**	**-3,929**	**-965**

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	8,215	707	478	6,635	16,035
EBITDA	**5,496**	**497**	**923**	**-15,978**	**-9,062**

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**

Segmental analysis of assets and liabilities

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

Geographical disaggregation

Reference is made to note 5 Revenue for information on the Group's geographical markets.

Note 5: Revenue

Airthings Group is a manufacturer of air quality sensors and hardware-enabled 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 4: Consumer, Business and Professional.

- The consumer segment sells air quality sensors to private customers through retailers and e-commerce
- The business segment sells air quality solutions to schools, office buildings, and other commercial buildings
- The professional segment sells 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

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

Revenues (USD 1,000)	Q4 2024	Q4 2023	2024	2023
Revenue from contracts with customers	10,206	10,210	38,134	36,185
Rental income	83	92	362	407
Total revenues	**10,289**	**10,302**	**38,496**	**36,592**

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

Geographical information (USD 1,000)	Q4 2024	Q4 2023	2024	2023
EMEA	2,194	3,026	7,129	7,961
USA and Canada	8,012	7,185	31,005	28,224
Total revenue from contracts with customers	**10,206**	**10,210**	**38,134**	**36,185**

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

Timing of revenue recognition (USD 1,000)	Q4 2024	Q4 2023	2024	2023
Goods transferred at a point in time	9,306	9,385	34,325	32,941
Subscription and services transferred over time	900	825	3,809	3,244
Total revenue from contracts with customers	**10,206**	**10,210**	**38,134**	**36,185**

Note 6: Other operating expenses

Total operating expenses by function

The table below illustrates the Group's employee benefit expenses and other operating expenses by function. These measures are regularly provided to and reviewed by the Board.

Operating expenses (USD 1,000)	Q4 2024	Q4 2023	2024	2023
Sales and marketing	5,563	4,514	18,599	17,706
Research and development	1,812	1,519	6,552	6,496
General and administrative	1,459	1,473	5,564	4,921
Total operating expenses	**8,835**	**7,505**	**30,716**	**29,123**
Number of employees	106	129	106	129

Note 7: Intangible assets

Depreciation and amortization expenses includes the monthly charge on property, plant and equipment, intangible assets and right-of-use assets over the assets estimated useful lives or lease term. The depreciation and amortization expenses are recognized on a straight-line basis.

Depreciation, amortization and impairment (USD 1,000)	Q4 2024	Q4 2023	2024	2023
Depreciation of property, plant and equipment	372	53	521	306
Depreciation of right-of-use assets	169	177	705	735
Amortization and impairment of intangible assets (see details in the table below)	2,635	134	3,429	475
Total depreciation, amortization and impairment expenses	**3,176**	**364**	**4,655**	**1,517**

Nature of the Group's intangible assets

The Group's intangible assets mainly comprise of software and systems, internal development projects and technology acquired through the acquisition of subsidiaries.

(USD 1,000)	Capitalized development costs	Software & systems	Technology	Goodwill 1)	Total
Acquisition cost as of 31 December 2022	**1,148**	**1,171**	**2,383**	**2,872**	**7,574**
Additions*	1,583	93	2		1,678
Transfer of finished development projects	-266		266		
Currency translation effects	13	-32	-68	-89	-176
Acquisition cost as of 31 December 2023	**2,479**	**1,232**	**2,582**	**2,783**	**9,076**
Acquisition cost as of 31 December 2023	**2,479**	**1,232**	**2,583**	**2,783**	**9,076**
Additions*	1,129		53		1,182
Transfer of finished development projects	-2,791		2,791		
Currency translation effects	-205	-129	-295	-290	-919
Acquisition cost as of 31 December 2024	**612**	**1,103**	**5,132**	**2,493**	**9,340**
Accumulated amortization as of 31 December 2022	**0**	**554**	**1,690**	**0**	**2,244**
Amortization charge for the period		318	157		475
Currency translation effects		-8	-25		-33
Accumulated amortization as of 31 December 2023	**0**	**-864**	**1,823**	**0**	**2,687**
Accumulated amortization as of 31 December 2023	**0**	**864**	**1,823**	**0**	**2,687**
Amortization charge for the period		229	565		794
Impairment charge for the period				2,635	2,635
Currency translation effects		-33	16	-142	-76
Accumulated amortization as of 31 December 2024	**0**	**1,060**	**2,404**	**2,493**	**5,956**
Net book value:					
As of 31 December 2023	**2,479**	**370**	**760**	**2,783**	**6,392**
As of 31 December 2024	**612**	**43**	**2,728**	**0**	**3,383**
Economic life (years)		5	3-5	Indefinite	
Depreciation plan		Straight-line			

* Development expenditures

1) Goodwill

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 long-term plan for the Business segment.

The Group applies the value-in-use model for determining recoverable amount for the purpose of goodwill impairment testing. For more information on the model and key assumptions, see description below as well as the latest annual report. The cash flows are derived from detailed budget and forecast calculations for the next four years approved by the Board of Directors. Restructuring activities and significant future investments are excluded from the budgets. A long-term growth rate is calculated and applied to project future cash flows after the fourth year.

The calculation of value in use for the CGU is 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 pre-tax 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 2029	Terminal growth rate	Pre-tax discount 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 – year 2024 - 2029)

Note 8: Income tax

The consolidated tax rate for the Group is approximately 22%. 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 USA) on the Group tax rate is very limited as the main operations are in Norway.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. 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

The Group has historically compared the recoverability of historical tax losses with its 4-year plan. As part of the updated strategy of the Group ("One Airthings") and the revision of the long-term growth plan during Q4 2024, management expects that it will take a couple of more years before the historical tax losses will be fully utilized. As the group has an established practice of recognizing tax losses it considers probable that will be utilized within the coming 4 years, and due to the fact that the accounting literature generally considers that less emphasis should be put on estimated profits longer into the future, management has concluded to partly impair the deferred tax asset as of 31 December 2024. This resulted in an increase in tax expense of USD 6.6 million recognized in Q4 2024. Remaining deferred tax asset recognized 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.

Note 9: Revolving credit facility

In 1Q 2023 Airthings secured a USD 8 million revolving credit facility (RCF) with Danske Bank which was renewed in 1Q 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.

Covenants:

1. 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.

Note 10: 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: Equity ratio > 35%
2. Working capital: Working capital > 50 000 000 NOK

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

Note 11: Share capital and shareholders information

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 the quarter.

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.

No distributions were made to shareholders in the current or prior period. Further, there are no proposed dividends.

Share price information

Share 31 December 2024 (NOK)	2.35
Market capitalization 31 December 2024 (NOK million)	465

The Group's shareholders:

Shareholders in Airthings ASA at 31 December 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 Invest 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%**

The Group's shareholders:

Shareholders in Airthings ASA at 31 December 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%**

Note 12: Earnings per share

(Profit or loss in USD)	Q4 2024	Q4 2023	2024	2023
Profit or loss attributable to ordinary equity holders - for basic EPS	-13,080,085	-1,520,627	-17,690,281	-6,257,752
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-13,080,085	-1,520,627	-17,690,281	-6,257,752
Weighted average number of ordinary shares - for basic EPS	197,758,446	197,617,617	197,758,446	194,708,073
Weighted average number of ordinary shares adjusted for the effect of dilution	199,463,327	199,662,263	199,700,431	196,862,214
Basic EPS - profit or loss attributable	**-0.07**	**-0.01**	**-0.09**	**-0.03**
Diluted EPS - profit or loss attributable*	**-0.07**	**-0.01**	**-0.09**	**-0.03**

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

Note 13: Share-based payments

Employees of the Group receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions). As at 31 December 2024, the Group had 13,427,231 outstanding options with a weighted average strike price of NOK 2.57. Reference is made to note 6.8 of Airthings' 2023 consolidated financial statements for a description of the Group' share option plans.

During Q4 2024, 807,000 share options were granted to employees under the Group's share option plan from 2024. The fair value of the options granted during the three months ended 31 December 2024 was estimated on the date of grant using the following assumptions:

Weighted average fair values at the measurement date (NOK)	0.75
Dividend yield (%)	0.00%
Expected volatility (%)	46.11%
Risk–free interest rate (%)	3.87%
Expected life of share options (years)	2.50
Weighted average share price (NOK)	2.71
Weighted average exercise price (NOK)	2.98
Model used	BSM

In 2024, the Group has recognized USD 173 thousands of share-based payment expense in the statement of profit or loss (2023: USD 292 thousands).

As of 31 December 2024, the Group has recognized a social security provision for share-based payment of USD 48 thousands (31 December 2023: USD 108 thousands).

Note 14: Other factors and significant events

Reference is made to note 6.4 of Airthings' 2023 consolidated financial statements. The key risk areas are discussed below:

Liquidity risk - represents the risk that the Group may potentially encounter difficulties in meeting obligations associated with financial liabilities that are settled by provision of cash or another financial asset. 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 has intensified its focus on optimizing business operations, reducing current and incoming inventories and collecting overdue receivables.

The Group raised NOK 75.0 million in gross proceeds through a private placement of 23,437,500 shares in February 2023. In addition, the Group secured funding from Innovation Norway in the form of a NOK 17.0 million grant and a loan of NOK 24.0 million. NOK 5.1 million of the grant and NOK 14.0 million of the loan were paid out to the Group in Q2 2023. The Company has decided to terminate the Innovation Norway project (see note 10) and will start repayments in October 2025.

The Group's cash position was USD 8.8 million on 31 December 2024, down from USD 14.6 million on 31 December 2024. The Group also has access to liquidity through a revolving credit facility (RCF) with Danske Bank for USD 5 million (see note 9). The liquidity risk is hence considered to be at a reasonable level.

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

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 Group's interim consolidated financial statements for the period 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 at 31 December 2024.

Note 15: Events after the reporting period

Adjusting events

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

Non-adjusting events

RCF

In 1Q 2023, Airthings secured a USD 8 million revolving credit facility (RCF) with Danske Bank which was renewed in 1Q 2024. The size was reduced to USD 6 million. On 5 February 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, see note 9.

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 for the ending period (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 2024 and 2023 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	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)	Q4 2024	Q4 2023	2024	2023
Revenues	10,289	10,302	38,496	36,592
EBITDA	**-4,223**	**-965**	**-9,062**	**-6,832**
EBITDA margin	**-41%**	**-9%**	**-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)	Q4 2024	Q4 2023	2024	2023
Revenues	10,289	10,302	38,496	36,592
Cost of goods sold	5,677	3,761	16,842	14,302
Gross profit	**4,612**	**6,541**	**21,653**	**22,290**
Gross profit margin	**45%**	**63%**	**56%**	**61%**

Forward-looking statements

Forward-looking statements presented in this report are based on various assumptions. The assumptions were reasonable when made but are inherently subject to uncertainties and contingencies that are difficult or impossible to predict. Airthings ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.


AIRTHINGS
9:41
Living room
Latest
24h
7d
30d
Radon
(93 Bq/m³)
PM2.5
9.0 µg/m³
Good
CO₂
637.0 ppm
Good
VOC
184.0 ppb
Good
Humidity
45.0 %
Good
PM1
Good
9.0 µg/m³
Temperature
19.3 °C
Pressure
1013.2 hPa
Devices
Insights
Settings