



AIRTHINGS

4Q21 Presentation

February 10, 2022

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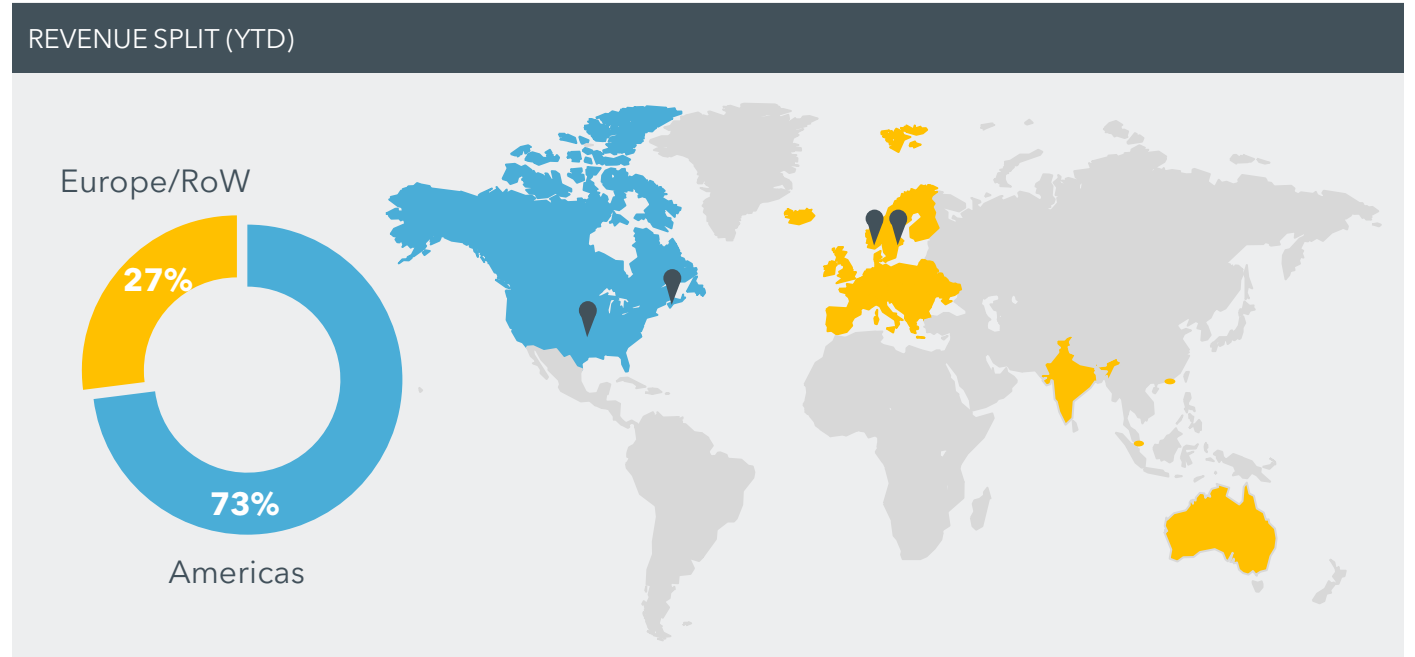
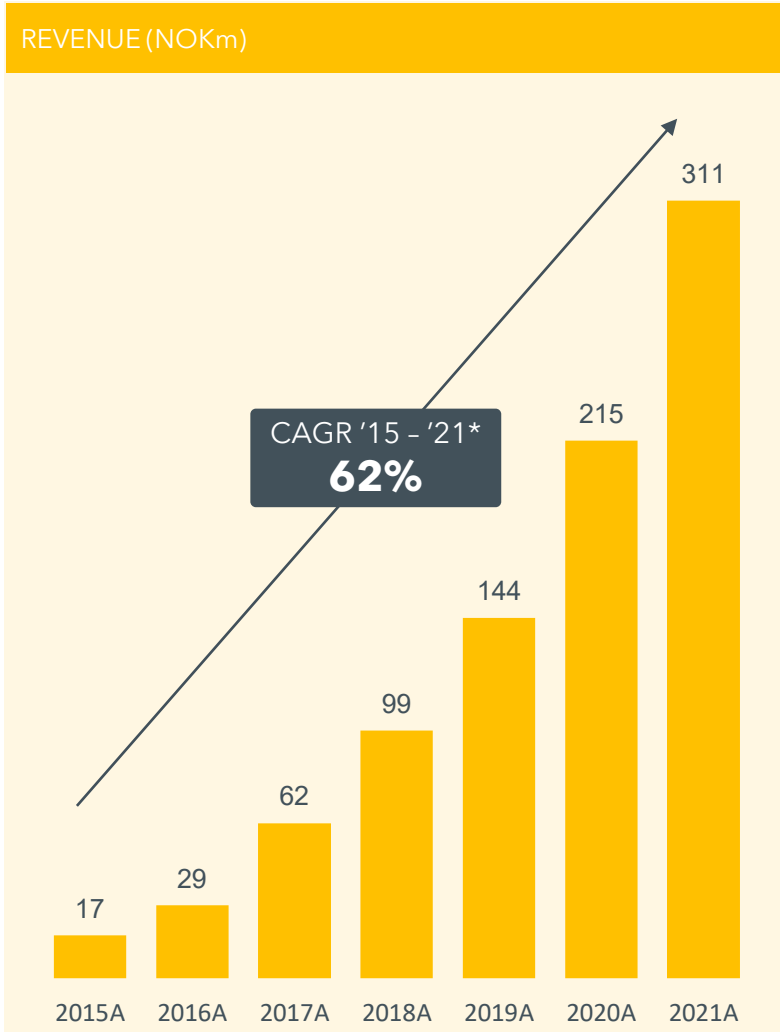
This presentation was prepared in connection with the 4Q results released on February 10th, 2022. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.



PURPOSE

**Empower the world
to breathe better**

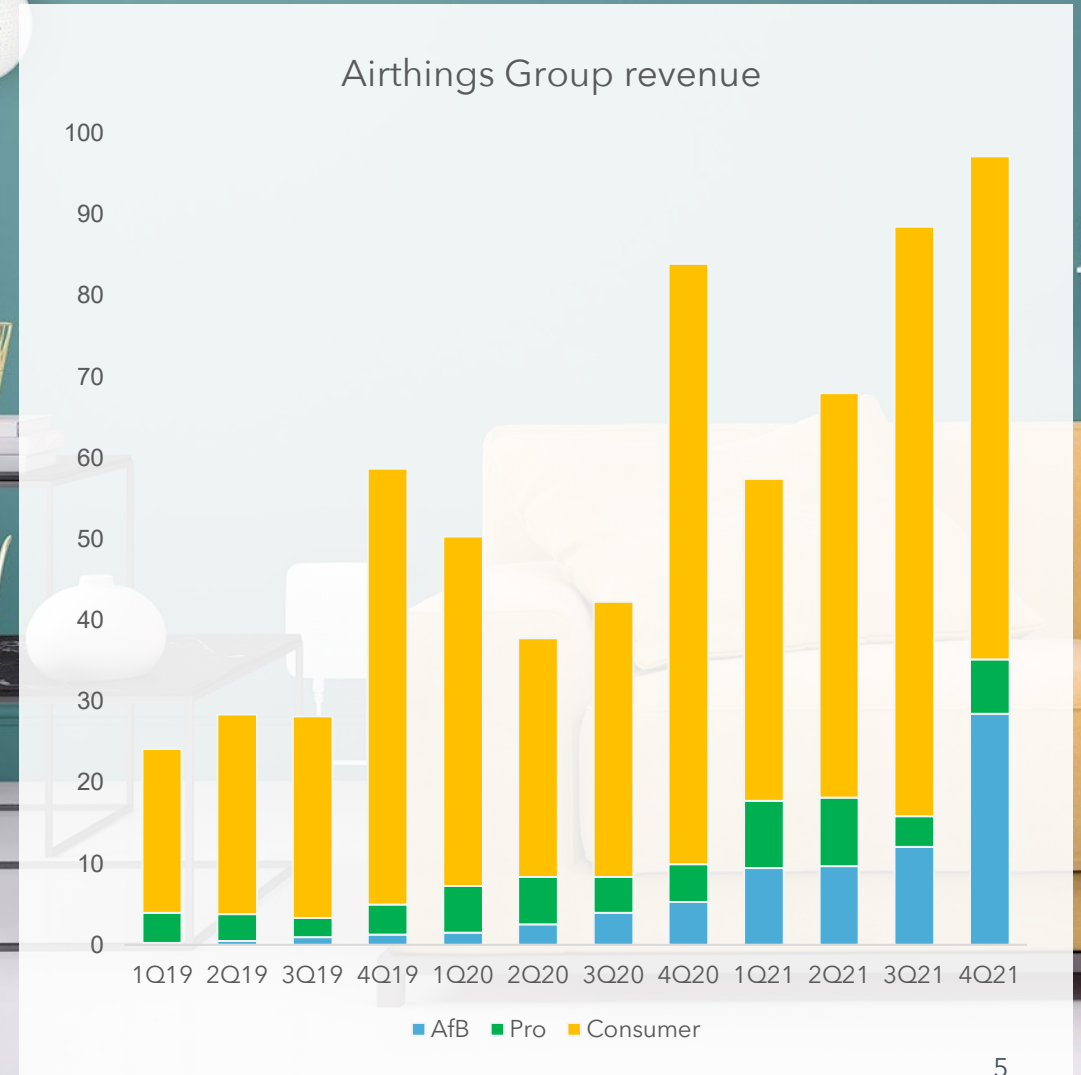
High-growth international business



SELECT RETAIL/ECOMMERCE PARTNERS	SELECTED Airthings for Business PARTNERS	AWARENESS

Record revenue despite delivery challenges

- Sales revenue of **NOK 97.1m**, up 16% YoY, with orders of **NOK 10m** slipping into Q1 2022 due to supply and logistics challenges
- Shipments to customers of Airthings for Business were prioritized the last weeks of 2021
- Gross profit margin of **60%**, impacted by component cost inflation, product mix, and campaigns
- 1Q22 revenue guidance of **NOK 80m - 90m**



4Q Highlights

All-time high revenue in 4Q
NOK 97.1m

2021 up 45% YoY to 311m in revenues, 64% GPM, and ARR of 24.6m

Successful launch of View series at CES



VIEW PLUS VIEW RADON VIEW POLLUTION

Undelivered backlog of around NOK 10 million at year-end due to delayed component deliveries and third-party logistics issues over Christmas. This comes in addition to the NOK 30m revenue impact reported for 2H

Lower than expected EBITDA due to the constraints affecting revenue



Major new retail partners



Positioned as a leader in Frost & Sullivan Indoor Air Quality Systems Report



Update by Segment



For everyone
with a home

Consumer



For commercial &
public buildings

Business



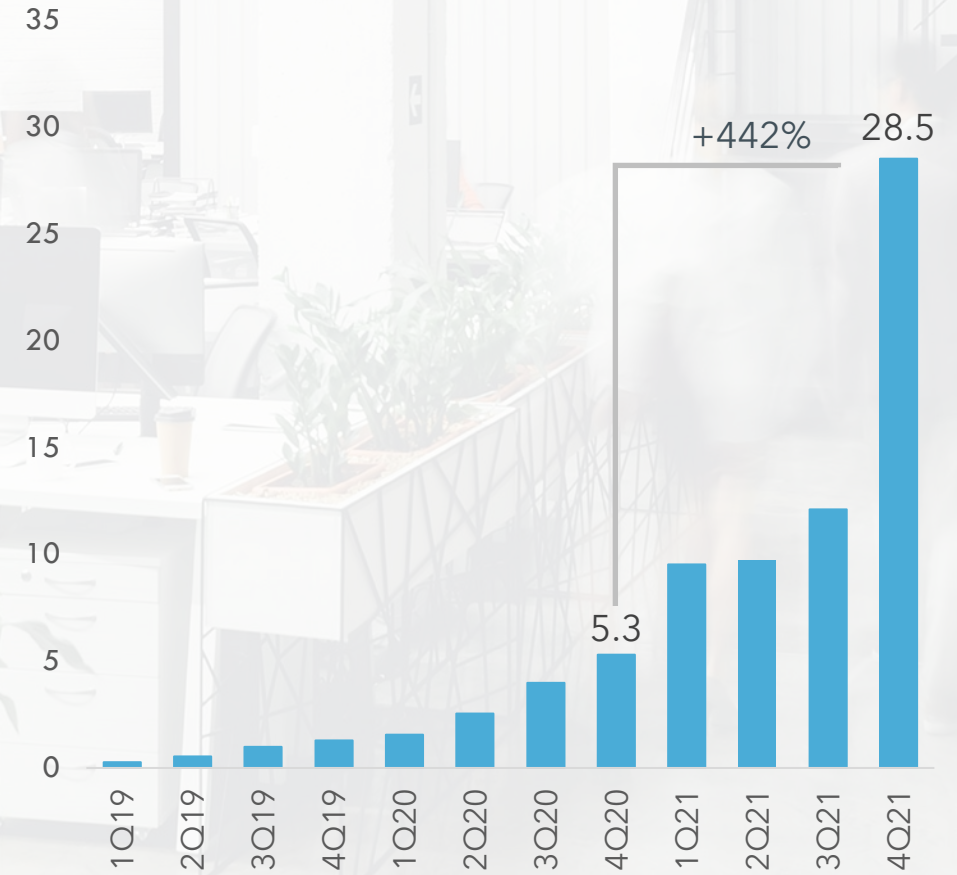
For home inspectors &
radon professionals

Pro

Business Segment 4Q Update

- Sales revenue of **NOK 28.5m**, with 442% YoY growth
- Total revenue share increase from ~6% in 2020 to ~20% in 2021
- Quebec deliveries of ~NOK 15m in the quarter
- Strong underlying growth from a broad range of partners
- **61.1%** Gross Profit Margin

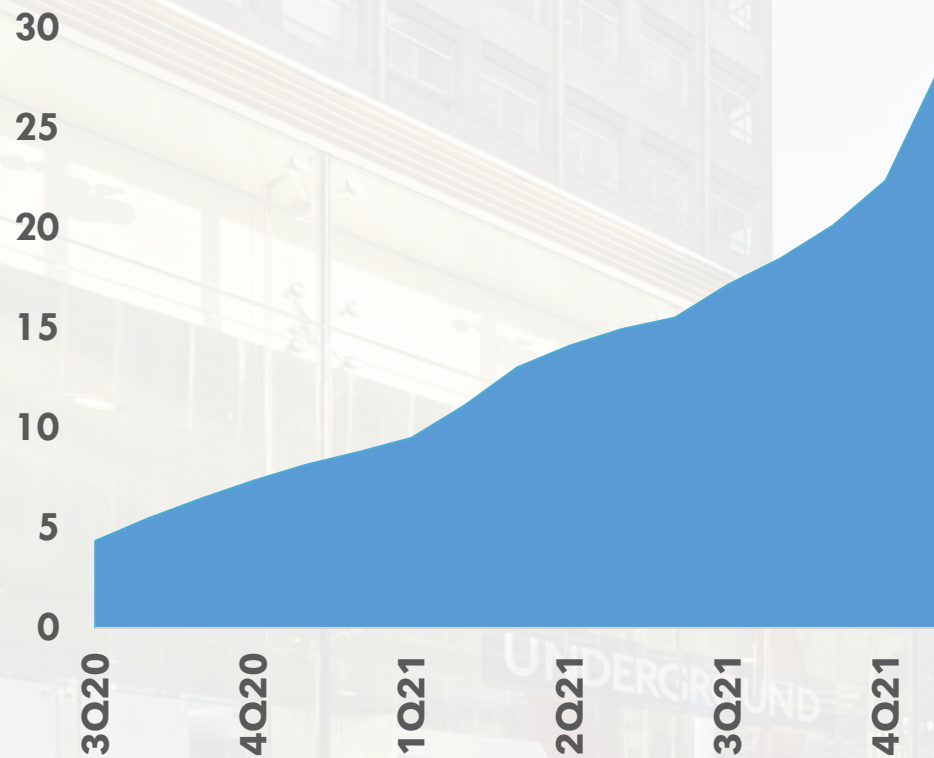
AfB Sales Revenue (NOKm)



Strong Momentum in Airthings for Business



Devices in the field ('000)



New project with Landsec - >600 devices in 19 buildings covering 1,880,000 Sq ft.

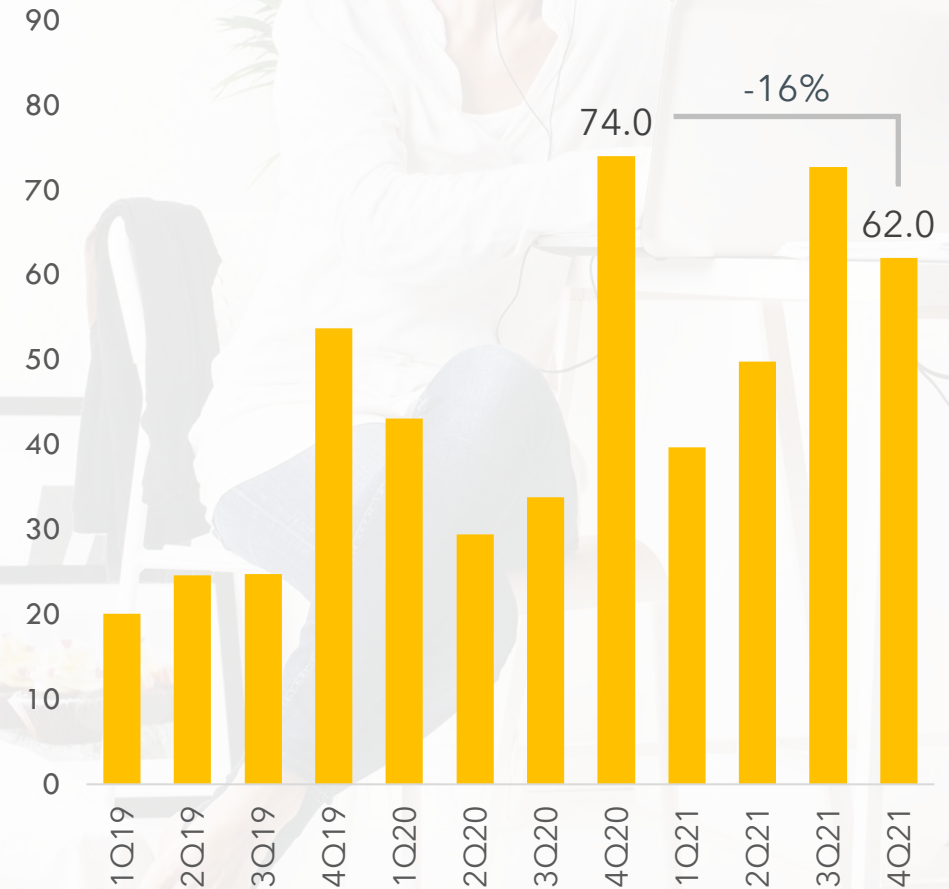
'With Airthings we can encourage and ensure the safe return of employees back to the office. Not only that, but it will enable us to pursue our WELL Portfolio Program which showcases our commitment to wellness and sustainability'

- Landsec

Consumer Segment 4Q Update

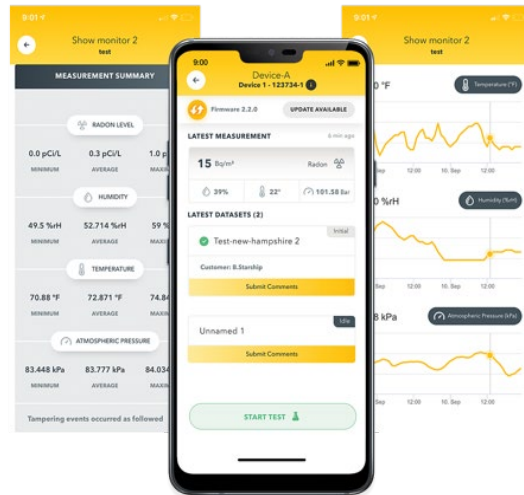
- Revenue of **NOK 62.0m**, down 16% YoY
- Full year revenue of **NOK 224m**, **+25%** increase from 2020
- Gross Profit Margin was **57.7%** in **4Q**
 - Changes in product/channel mix from 3Q
 - Component cost inflation
 - Campaigns on Black Friday, and Amazon 'Deal of the Day'
- Customer demand for View Plus was much higher than supply in 2H21

Consumer Sales Revenue (NOKm)

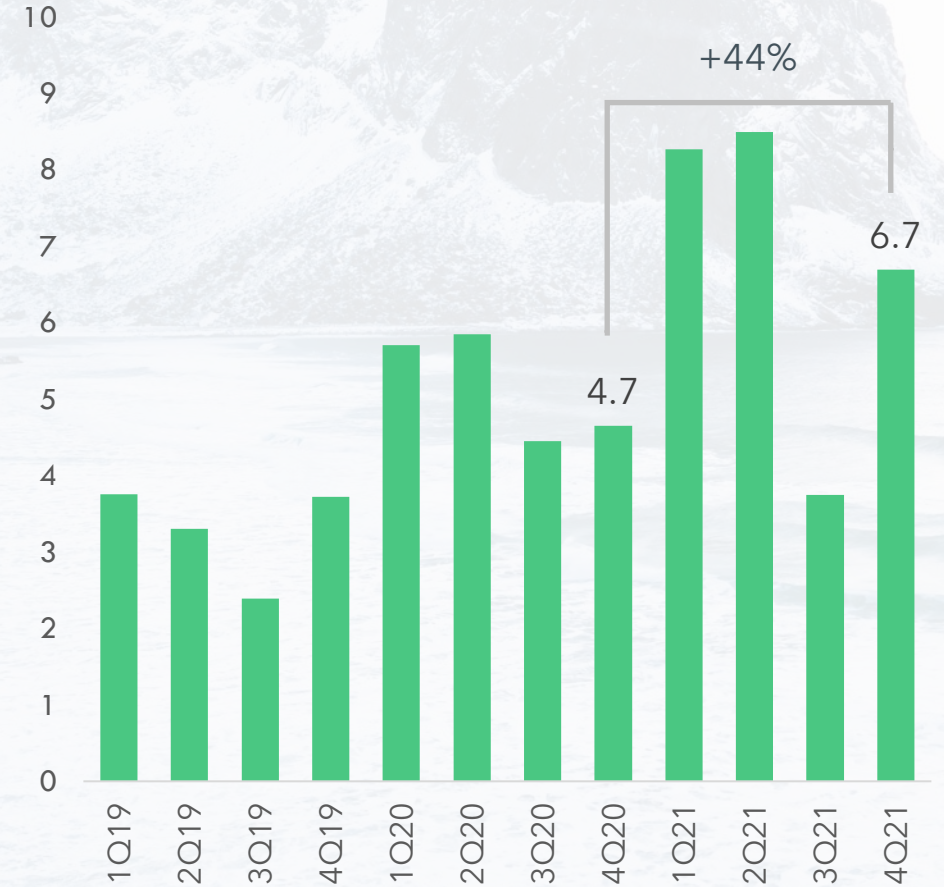


Pro Segment 4Q Update

- Sales revenue of **NOK 6.7m**, and **44% YoY** growth
- **75.2%** Gross Profit Margin
- Higher activity supporting the ARR development

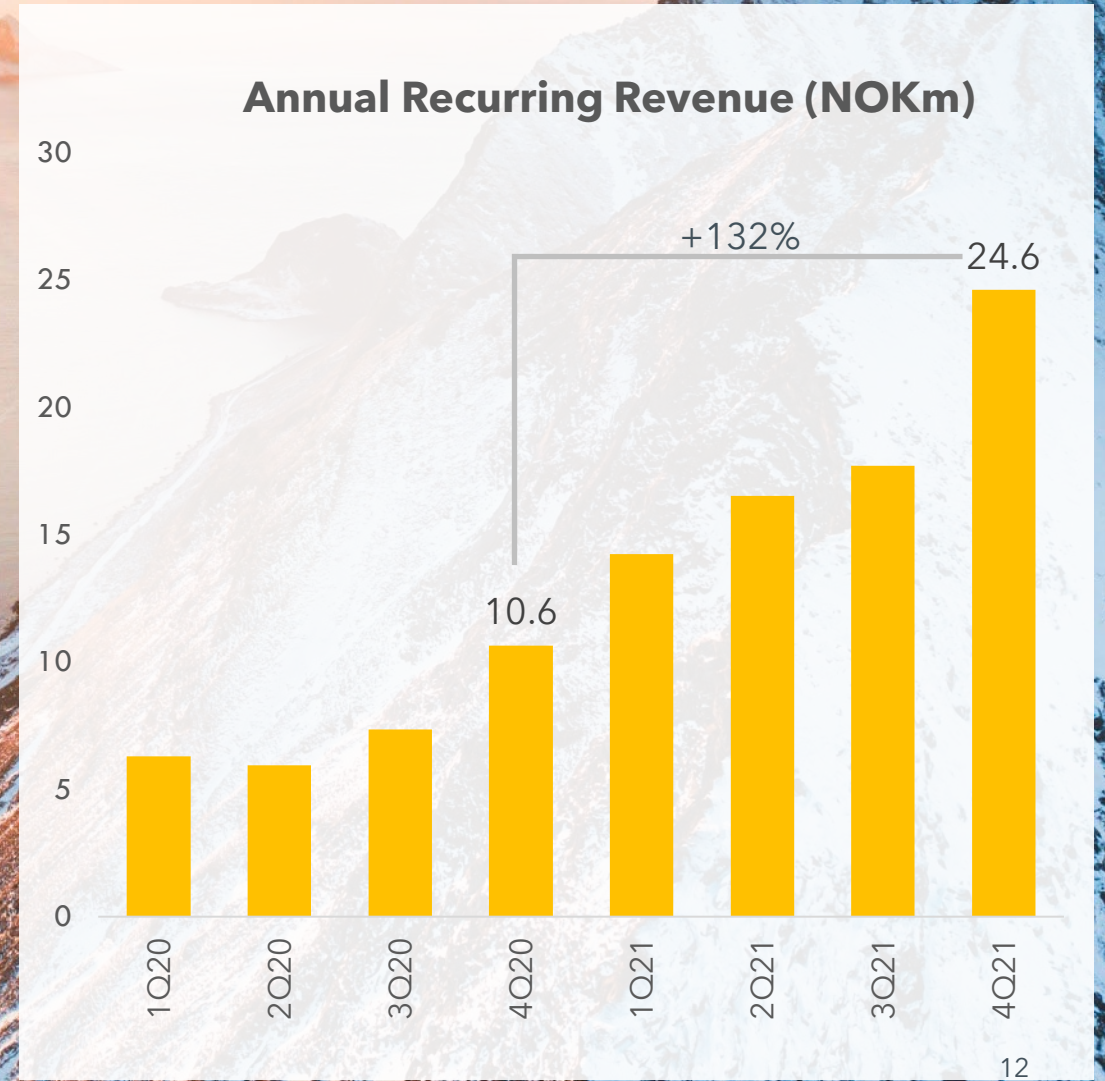


Pro Sales Revenue (NOKm)



Annual Recurring Revenue (ARR)

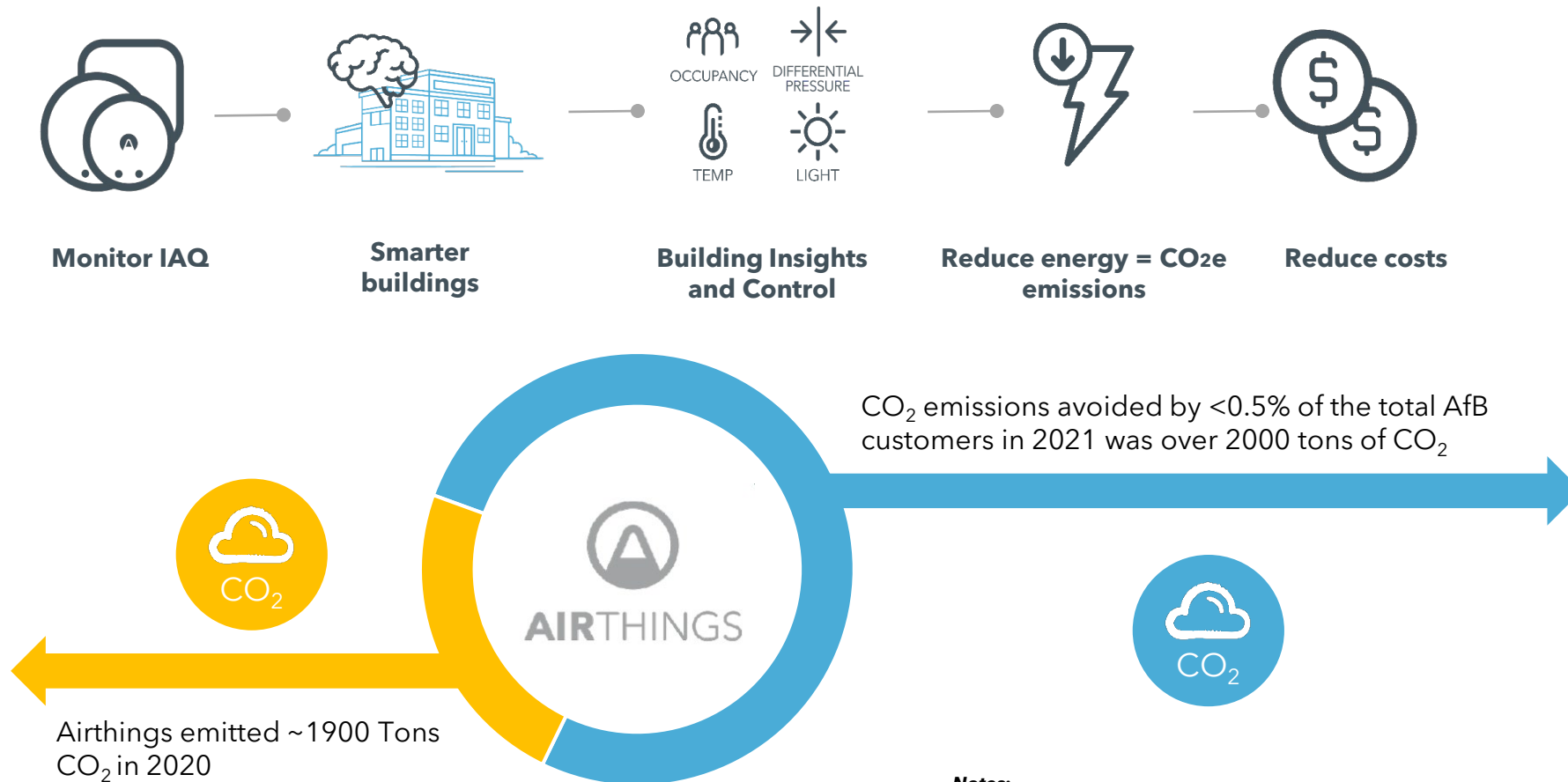
- ARR of **NOK 24.6m**, up 132% YoY
- **>80%** gross profits from ARR
- 1Q22 ARR guidance of **NOK 27m - 32m**, driven by both new sales in Airthings for Business and higher activity in Pro



Note: ARR equals annualized sales from all active subscriptions, licenses and service contracts within AfB and Pro. (i.e. subscription service revenues booked in December multiplied by 12)

Enabling the green shift

Documented CO₂ savings from selected group of customers already exceeds total Airthings CO₂ emissions



Notes:

- 1) Avoided emission figures are estimates based on <1% of case studies from users of Airthings solutions.
- 2) Total Airthings emission was disclosed for the first time for 2020.
- 3) Emissions for 2021 will be disclosed in Q2'22.

Ambitious Sustainability Program at the Core of Airthings Strategy

- “Data driven solutions for GHG mitigation” is now defined as classification in EU Taxonomy
- Airthings awarded Ecovadis Silver status
- Goal to reduce CO₂ emissions in buildings with >1 million tons by 2026



Ecovadis, “The World’s Most Trusted
Business Sustainability Ratings”

Financials

Magnus Bekkelund, CFO



Income Statement

Sales revenue of **NOK 97.1m**, up **16% YoY**

- All-time high revenue but below expectations
- Allocating volumes to safeguard deliveries in AfB

Sales gross margin at **60%** for 4Q and **64%** for **2021**

- Component cost inflation, product mix and campaigns

EBITDA of **NOK -32.3m**

- Personnel expenses in accordance with growth plan
- Campaigns
- Marketing
- Office leases

EBIT of **NOK -35.2m**

- Amortization of goodwill as a result of the acquisition of Airtight

(NOKm)	4Q21	4Q20	2021	2020
Sales	97.1	83.9	311.1	214.5
Other revenue	0.0	0.1	0.2	1.2
Total revenue	97.1	84.0	311.3	215.7
Cost of sales	39.0	26.8	112.1	71.1
Gross profit	58.2	57.2	199.2	144.5
Sales Gross Margin	60%	68%	64%	67%
Payroll expenses	40.9	27.9	130.1	85.6
Other operating expenses	49.6	45.9	149.3	108.2
EBITDA	-32.3	-16.6	-80.2	-49.3
Depreciation and amortization	2.9	2.4	10.8	4.8
Operating profit / EBIT	-35.2	-19.0	-91.0	-54.0
Financial income / (expenses)	0.5	-7.7	2.3	-4.7
Profit (loss) before tax	-34.7	-26.7	-88.7	-58.8
Income tax	-18.1	-18.9	-18.3	-19.0
Net profit (loss)	-16.6	-7.8	-70.4	-39.8

Earnings per share (NOK)

Basic earnings per share	-0.10	-0.05	-0.41	-0.30
Diluted earnings per share	-0.10	-0.05	-0.41	-0.30

Balance Sheet

Change in assets

- **Deferred tax asset**
- **Inventory** increase due to component price increase and higher volumes to secure supply
- **Accounts receivables** increase due to large share of closed deals in December

Change in liabilities

- **Long-term liabilities**
- **Accounts payable** up due to company growth
- **Other current liabilities** change mainly due to accrued subscription revenues and accrued expenses

(NOKm)	31.12.2021	31.12.2020
Assets		
Research & development	14.5	14.7
Software and systems	7.0	5.2
Deferred tax asset	38.4	22.9
Goodwill	20.8	26.4
Tangible assets	7.1	5.1
Long-term receivables	9.9	13.0
Total non-current assets	97.8	87.3
Inventory	100.8	40.1
Accounts receivables	104.5	59.7
Other current receivables	16.7	17.4
Cash and cash equivalents	372.0	537.0
Total current assets	593.9	655.3
Total assets	691.7	741.6
Total equity	596.8	660.1
Other provisions	9.6	12.3
Deferred tax liability		2.9
Total non-current liabilities	9.6	15.2
Accounts payable	42.1	23.8
Public duties payable, Tax payable	8.8	7.6
Interest bearing debt		16.2
Other current liabilities	34.3	18.6
Total current liabilities	85.3	66.2
Total equity and liabilities	691.7	741.6

Cash Flow Statement

Cash flow from operating activities NOK -19.3m

- Operating loss
- Net working capital
 - Increased deferred revenue (subscriptions), accrued expenses and public duty taxes

Cash flow from investment activities of NOK -4.5m

- Purchase of software, production tooling and office equipment

Cash flow from financing activities of NOK +0.7m

- Change in equity related to exercising of options related to employee option program



IFRS and Uplisting

Annual report 2021 in accordance with IFRS - To be released March 30, 2022

- Airthings is in the process of transitioning to IFRS and intends to present audited statements according to IFRS in the Annual Report for 2021.

Uplisting to Oslo Stock Exchange's main list is scheduled to 2Q 2022

Summary and Outlook



Summary 4Q21

- **Record sales revenue** of NOK 97.1m despite sales being limited by component supply and logistics issues - around NOK 10m of backlog slipped into 1Q22
- Gross Profit Margin of 60% reflecting product and channel mix in Consumer, component cost inflation and campaigns
- Very strong momentum for Airthings for Business with 442% YoY growth
- Significant growth in ARR
- Successfully launched **View Radon** and **View Pollution** at CES in Las Vegas in January

Key Highlights 2021

Products

Launch of View Plus'es with strong demand



Launch of View CO2 and range of new features for AfB



Certified our products for several key markets in Asia Pacific

Partnerships

Rolled out in-store to a wide range of retailers including 1000 Walmart's and 3000 CVS pharmacy's



Strategic agreement with Carrier Corporation
Significantly increasing the footprint of Airthings for Business



Launched Airthings for Kids

AIR^{for}KIDS

Organization and brand



31 new talents to the Airthings family around the world

Our **brand awareness** is growing rapidly and the web traffic to airthings.com has increased to more than **2 million unique visitors in 2021**



CES and AHR, January 2022



Outlook

- 1Q22 revenue estimated at NOK 80-90m, corresponding to YoY growth of around 50%
- ARR expected to grow to NOK 27-32m during the first quarter

Guidance Q1'22

Revenue and ARR guidance (NOKm)	1Q22
Revenue	80 - 90
Annual Recurring Revenue	27 - 32

Exciting long-term outlook

Global leader in indoor air quality for homes and businesses

Consumer

- Strong backlog kick-starting 2022
- Increasing market demand, spearheaded by the new View Series
- Continuous channel expansion and scaling

>NOK 600m
revenue by 2024

Airthings for Business

- Building on record sales levels achieved in 2021
- Improve margins by growing ARR
- Continue proven partnership model

>NOK 400m
revenue by 2024

>NOK 200m
ARR by 2024

2024 Goal

**Revenue of
NOK 1 000m+**

**ARR of
NOK 200m+**

**Long-term EBITDA margin
target >25%**



Breathe better. Live better.

Q & A