



AIRTHINGS

4Q20 Presentation

February 4, 2021

Øyvind Birkenes, CEO

Erik Lundby, CFO

Pål Berntsen, VP&GM
Airthings for Business

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This presentation was prepared in connection with the 4Q results released on February 4th, 2021. 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.

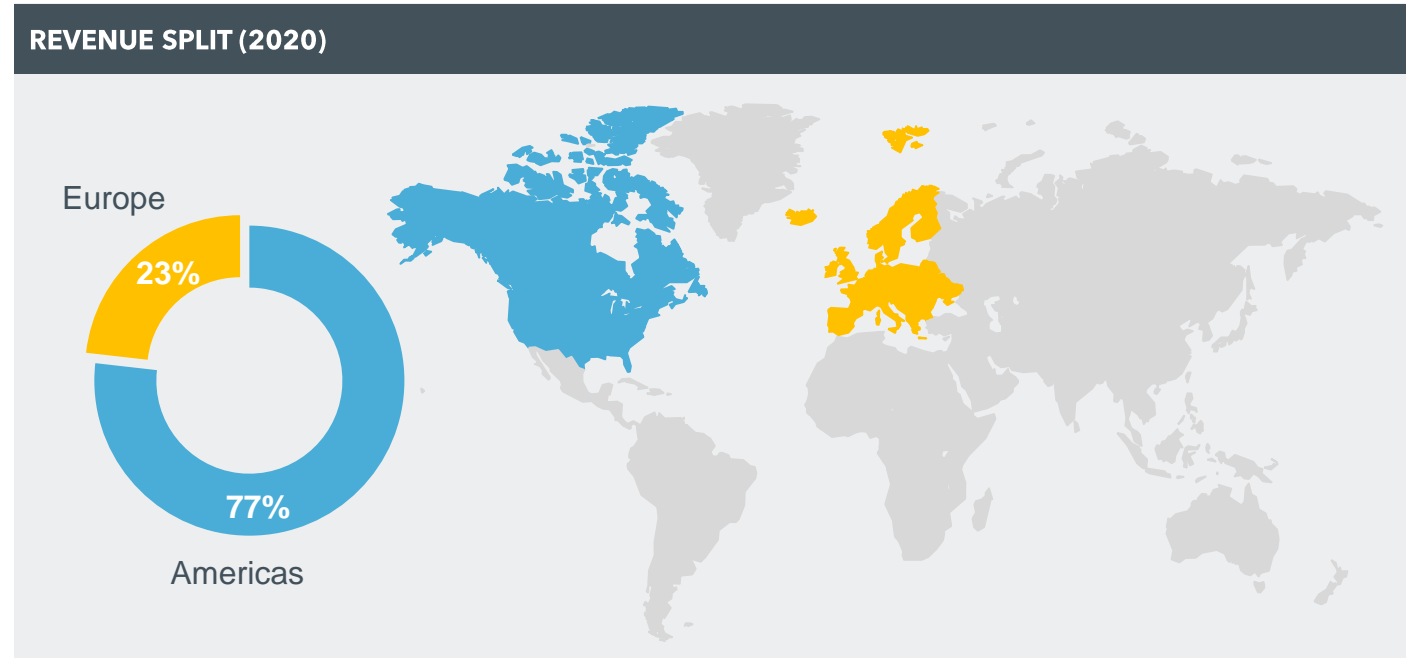
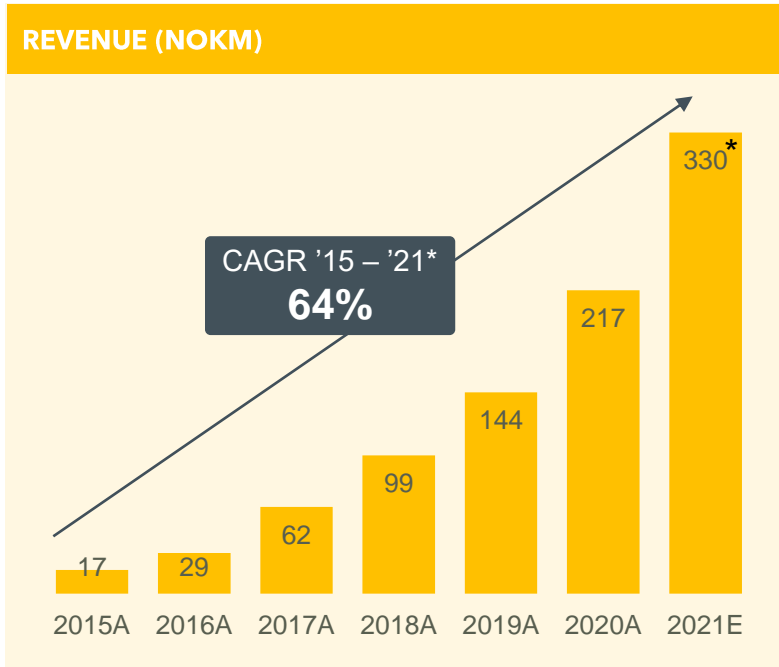




PURPOSE

**Empower the world to
breathe better**

High-growth international business



~112 employees from 27+ nations

HQ in Oslo, with offices/sales out of Chicago, Stockholm, Boston, Atlanta, Florida, Munich, London, Bergen, and Quebec City

SELECT RETAIL/ECOMMERCE PARTNERS	SELECTED Airthings for Business PARTNERS	AWARENESS PARTNERS



* Midpoint of estimated revenue range 2021e

Three Business Units



For everyone
with a home

Consumer



For facility management,
system integrators &
HVAC and public sector

**Airthings for
Business (AfB)**



For home inspectors
and radon
professionals

Pro



Three Business Units, Sales Revenue



For everyone
with a home

Consumer

2019 revenue of NOK 123m

2020 revenue of NOK 180m



46% YoY



For facility management,
system integrators &
HVAC and public sector

**Airthings for
Business (AfB)**

2019 revenue of NOK 3m

2020 revenue of NOK 13m

340% YoY



For home inspectors
and radon
professionals

Pro

2019 revenue of NOK 13m

2020 revenue of NOK 21m

56% YoY

Three Business Units, ARR



For everyone
with a home

Consumer



For facility management,
system integrators &
HVAC and public sector

**Airthings for
Business (AfB)**



For home inspectors
and radon
professionals

Pro

2019 Annual Recurring Revenue of NOK 2.9m

2020 Annual Recurring Revenue of NOK 10.6m

267% YoY



Hardware-enabled software company addressing major global issues

Challenge: Poor indoor air quality and energy waste

90% of time spent indoors where
air quality is 2-5x worse than outside



Bad air quality



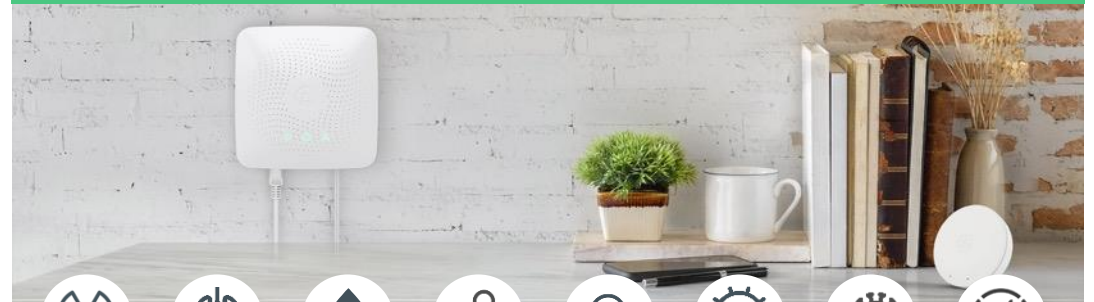
Indoor
air contaminants



Energy
efficiency

- ⊗ Cause of cancer, asthma and allergies
- ⊗ Increased risk of transmission of viruses and bacteria
- ⊗ Reduced productivity, poor sleep, and well-being
- ⊗ Wasted energy usage

Solution: Airthings



Radon



Air Quality



Comfort



Ventilation



CO2



Mold
Indicator



Virus Risk



Pressure

- ⊕ Leader of indoor air quality monitoring
- ⊕ World leading products and solutions that are easy to use for B2C and B2B
- ⊕ Actionable insights enabled by analytics and machine learning
- ⊕ Can save >20% of the energy consumption in buildings
- ⊕ Open ecosystem with API integrations for B2B and Smart Home integrations for B2C



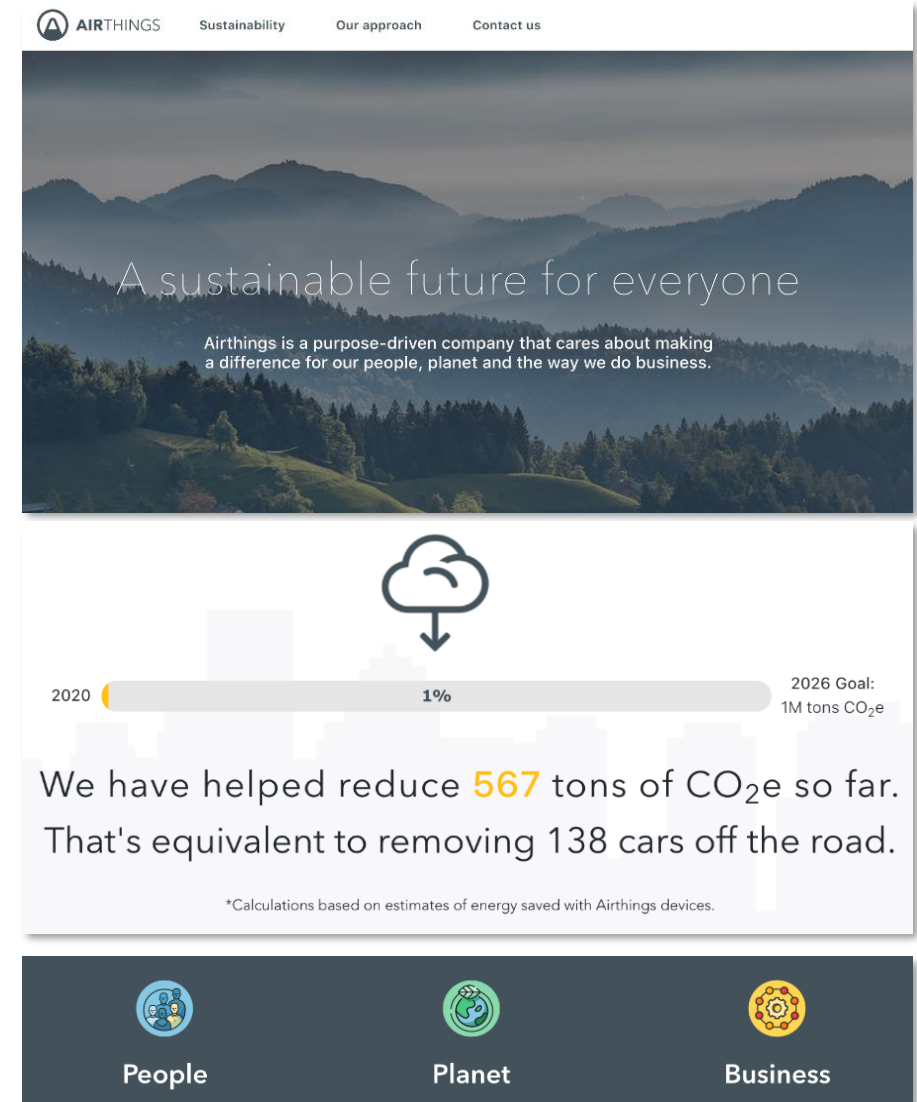
Tracking Carbon Emissions Saved with Airthings

40% of global energy consumption comes from buildings

There are energy-saving opportunities in all buildings

- **>10%** of energy consumption can be saved by optimizing heating, ventilation and air conditioning
- **>15%** of energy consumption can be saved by aligning indoor and outdoor pressure.

We will publish CO₂e saved, along with our other sustainability goals, at www.airthings.com/sustainability



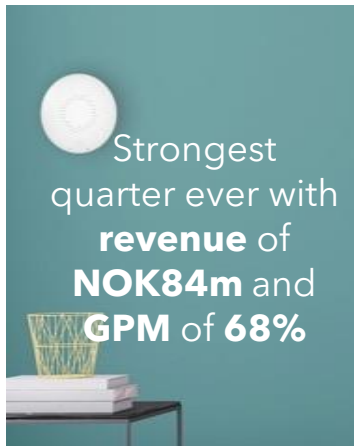
[airthings.com/sustainability](https://www.airthings.com/sustainability)

Highlights 4Q20

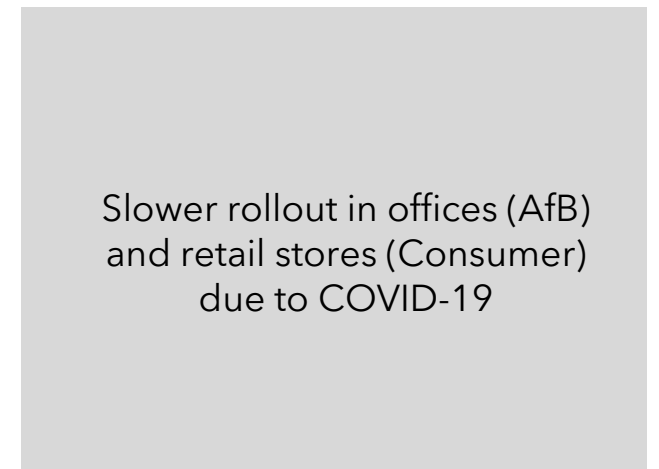
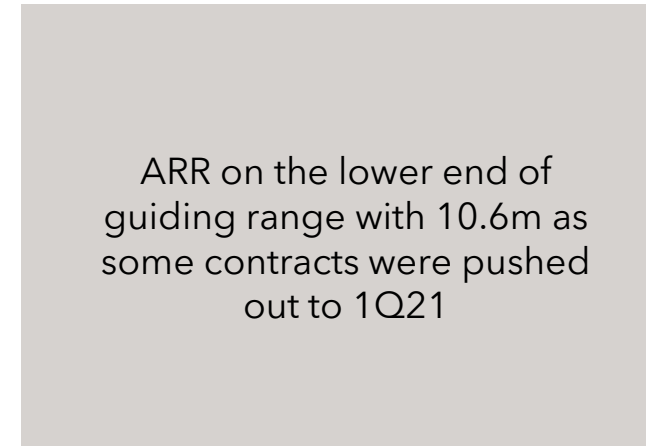


Main events during the fourth quarter

Quarterly Highlights

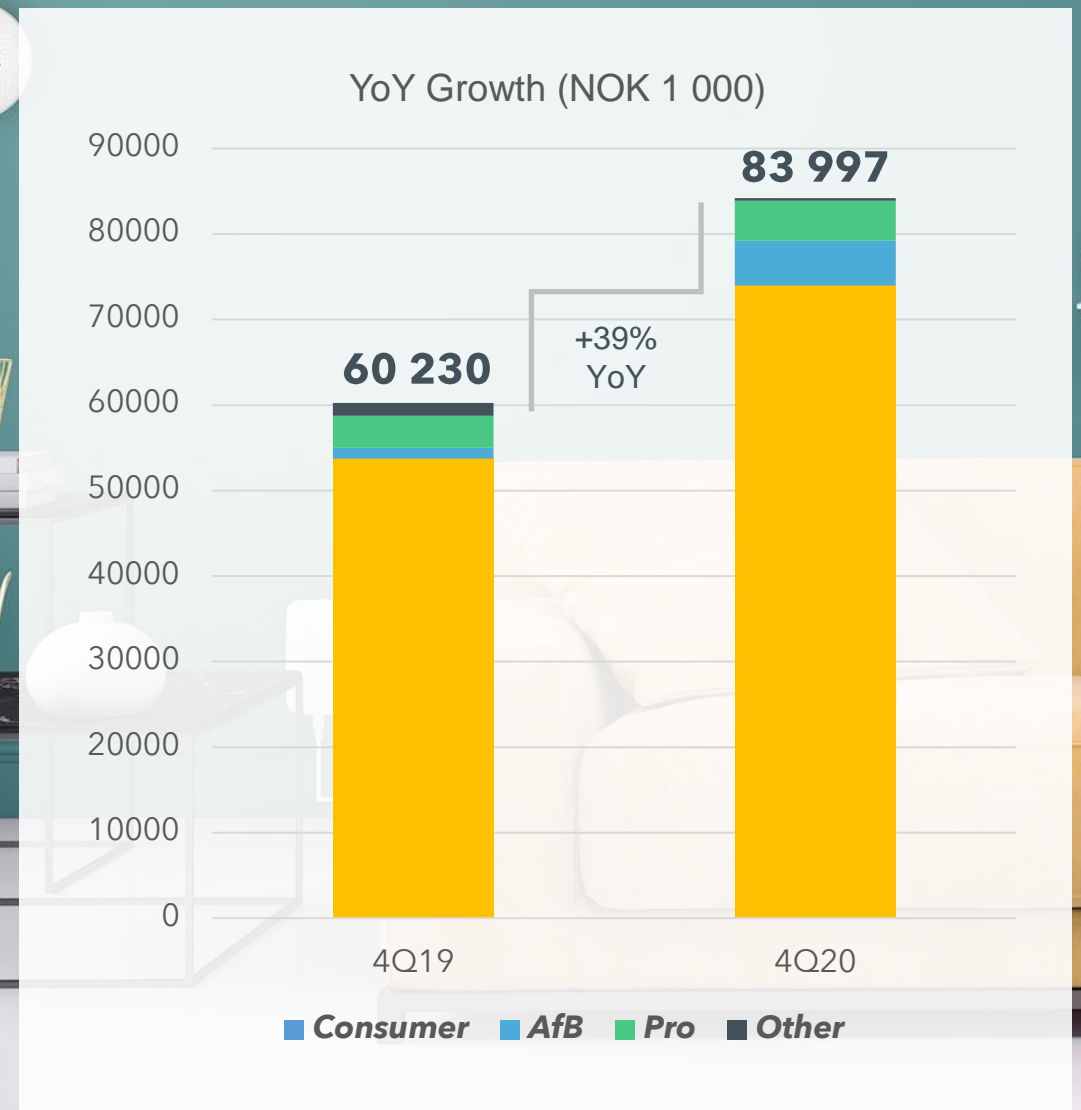


Quarterly Lowlights



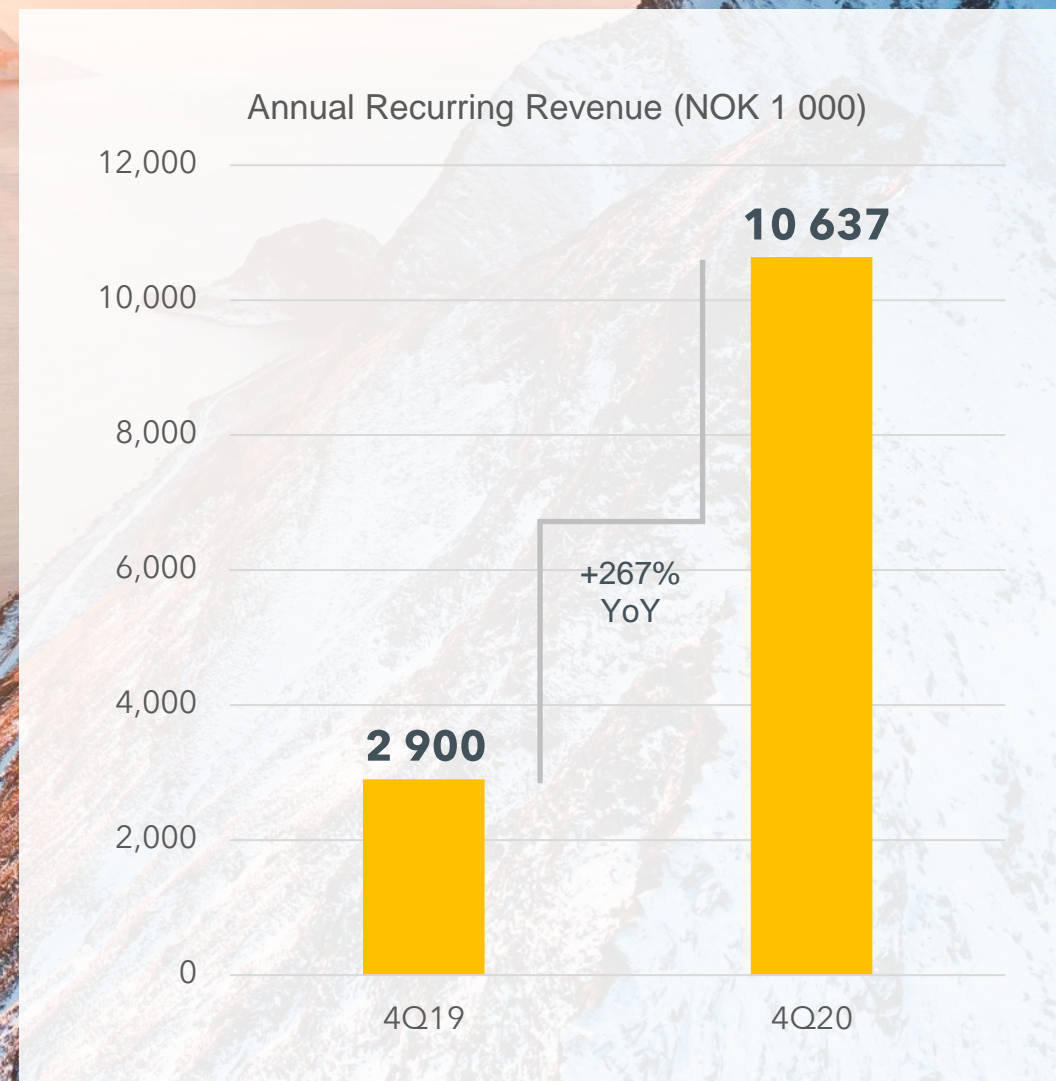
4Q20

- All time high quarterly revenue of **NOK84.0m**, and **40%** YoY growth for 4Q20
- **GPM** of **68%** for 4Q21 and **67%** for the year
- 2020 revenue of **NOK216.9m**, up **51%** YoY. Revenue at the top of the 2020 guiding range of 203m-217m
- **Consumer** growth of **38%** to **NOK74.0m** for 4Q20
- Airthings for Business growing fast with **314%** YoY to **NOK5.3m** for 4Q20
- **PRO** growth of **25%** YoY to **NOK4.7m** for 4Q20



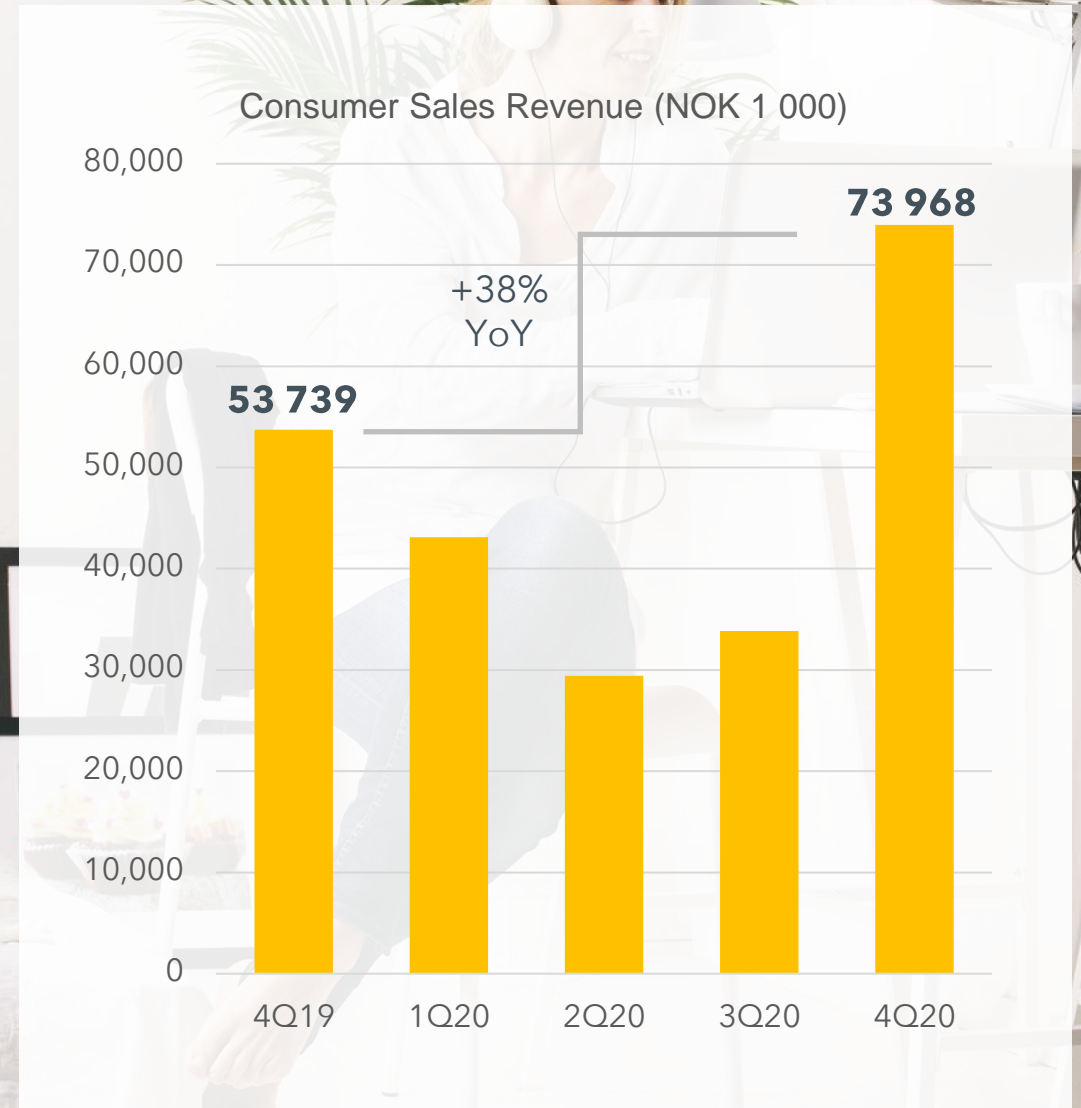
Annual Recurring Revenue (ARR)

- Exponential **growth continues** to **NOK10.6m**, up to **267%** YoY
- 2020 ARR is slightly below guided range as some expected contracts were pushed out to 1Q21



Consumer 4Q update

- 4Q revenue of **NOK74.0m** and **38% YoY growth**
- **2020 YoY growth** of **46%** with revenue of **NOK180.4m**
- **Wave** products having strong growth with **>100% YoY** growth for 4Q and 2020 full year
- **Strong** sell-through from our retail channels triggering re-orders
- Strong growth on **Amazon** worldwide with smart product (Wave products) sales up **>200% YoY**
- Direct channel revenue up **>100% YoY**
- **Wave Mini** has grown almost **200% YoY** in 4Q20 after re-launch with **Mold Risk Indicator** feature



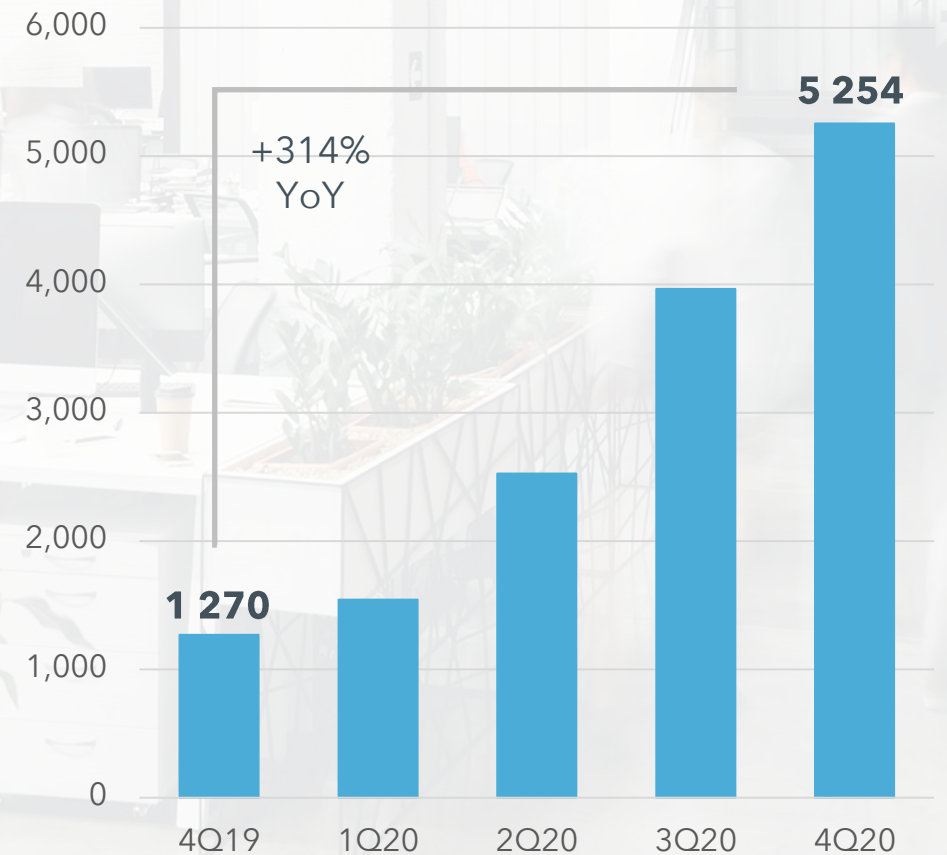
Airthings for Business

4Q update

- Sales revenue of **NOK5.3m** and **314% YoY growth** for 4Q20
- **2020** YoY growth of **340%** with revenue of **NOK13.3m**
- **Revenue** and **ARR growth** driven by Facility Management, Public Sector, and System Integrators
- Schneider Electric starting to generate significant revenues for AfB
- Through one of the worlds largest commercial real estate services companies Airthings sensors will be part of a national roll-out for an international retail bank supporting nearly 600 end locations
- AfB sales and support team has tripled to 17 people from 2019 to 2020. Will keep growing aggressively in 2021 as we see large land-grabbing opportunities

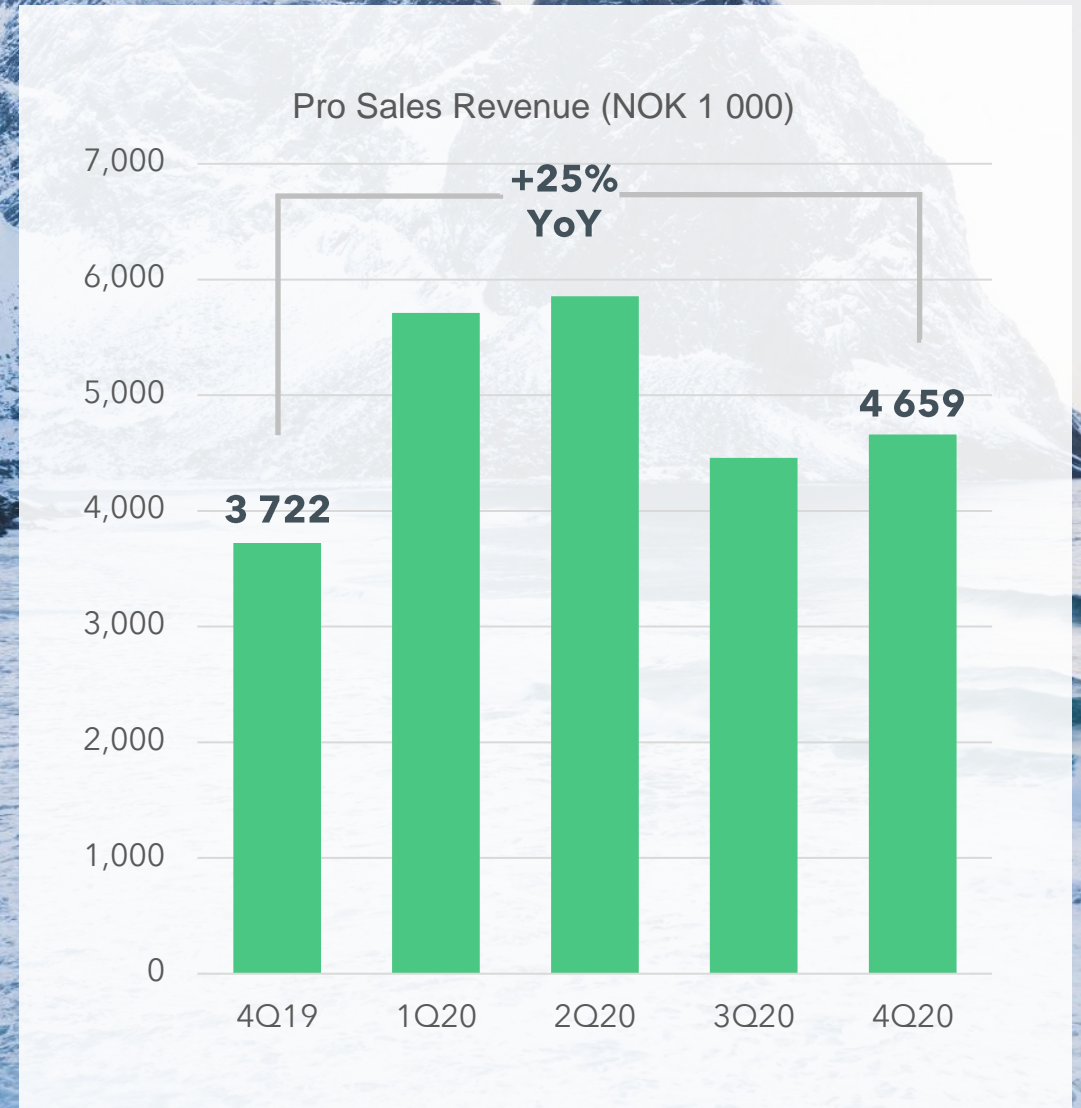
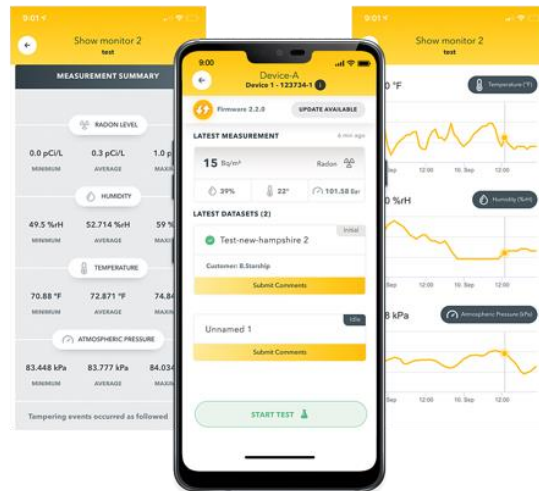


Airthings for Business Sales Revenue
(NOK 1 000)

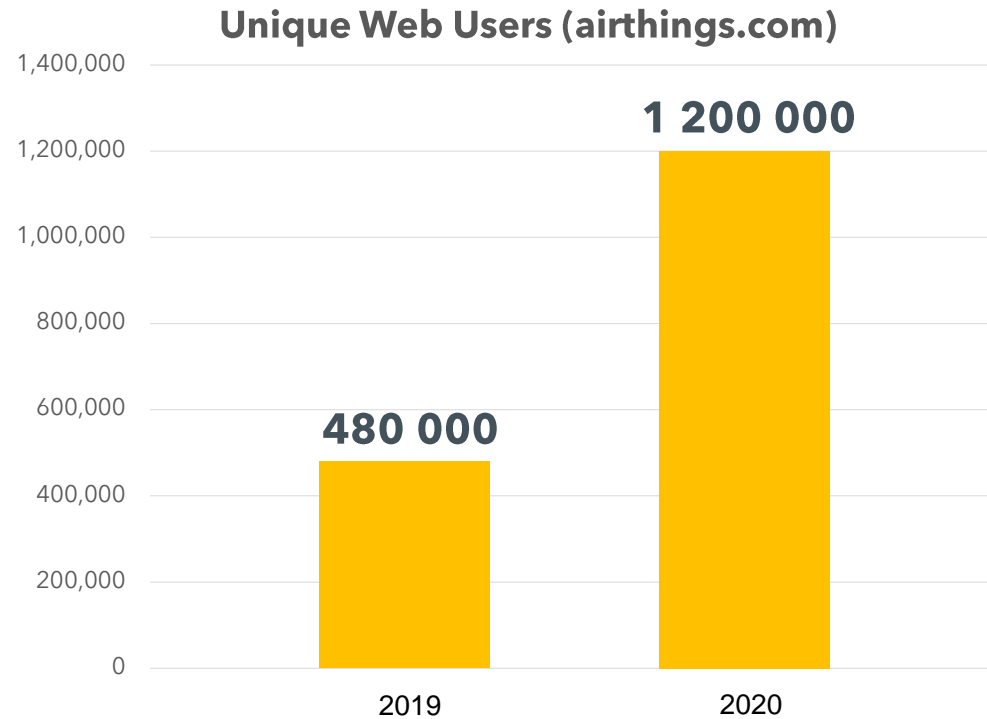


Pro 4Q update

- Sales revenue of **NOK4.7m**, and **25% YoY growth**
- Hit by production capacity limitations in 3Q and 4Q. Is solved in 1Q21
- **Strong** backlog and outlook
- Opened Airthings Calibration Lab in Massachusetts. Will increase margin and revenue of ARR from PRO



Significant growth in web traffic and press coverage



150% YoY increase of unique web users



Financials

Erik Lundby, CFO



4Q Key figures

Revenue up 40% YoY

- Strong growth especially in Consumer and AfB

Gross margin at 68%

- Higher share of AfB product sales with lower margin
- Price competition in US retail
- Margin up 6%-points QoQ in accordance with plan

EBIT of -NOK17.2m

- Non-recurring IPO costs of NOK8.7m
- Non-cash expense related to share-based compensation
- Increased personnel expenses in accordance with expansion plan
- Marketing costs in conjunction with shopping holiday



	Unaudited	Unaudited	Unaudited	Audited
Consolidated income statement (NOK 1 000)	4Q20	4Q19	2020	2019
Sales	83 881	58 568	214 343	139 472
Other revenue	116	1 498	2 529	4 809
Total revenue	83 997	60 065	216 872	144 281
Cost of sales	26 763	15 464	70 780	39 202
Gross profit	57 234	44 602	146 092	105 079
Payroll expenses	27 918	17 914	85 509	47 979
Other operating expenses	45 920	23 313	108 315	68 805
EBITDA (note 4)	-16 604	3 374	-47 731	-11 705
Depreciation and amortization	579	- 108	2 321	694
Operating profit / EBIT	-17 183	3 482	-50 052	-12 398
Financial income	2 393	2 134	16 229	4 374
Financial expenses	10 120	2 705	20 956	5 161
Financial income / expenses - net	-7 727	- 571	-4 728	- 787
Profit (loss) before tax	-24 909	2 912	-54 779	-13 185
Income tax	18 435	4 013	18 422	3 992
Net profit (loss)	-6 474	6 924	-36 357	-9 193
Pre-split earnings per share (NOK)*				
Basic earnings per share	-8,17	12,20	-55,10	-16,67
Diluted earnings per share	-8,17	12,19	-55,10	-16,67
Post-split earnings per share (NOK)**				
Basic earnings per share	-0,04	0,06	-0,28	-0,08
Diluted earnings per share	-0,04	0,06	-0,28	-0,08

*EPS is calculated using pre-split average shares outstanding for the period. Split of 200 was completed October 2020.

**EPS is calculated using post-split average shares outstanding for the period. Split of 200 was completed October 2020

Cash flow

Negative cash from operating activities

- Non-recurring IPO related costs
- Increased working capital due to seasonality in Consumer

Negative cash from investment activities

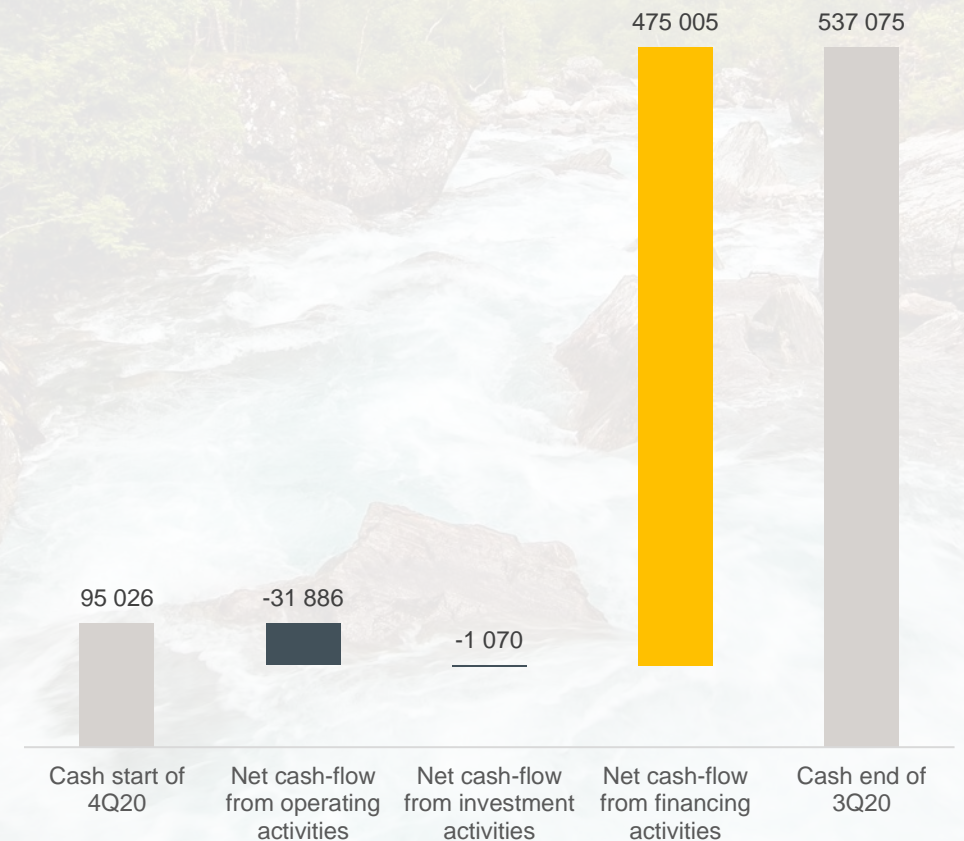
- Purchase of PRO equipment for rental in US
- Office equipment in accordance with expansion

Positive cash from financing activities

- NOK500m private placement
- Debt instalments



Cash flow in 4Q20



Balance sheet

Change in non-current assets

- Acquisition of Airtight
- Deferred tax increase due to negative result and IPO costs
- Receivables growth due to employer's tax related to options

Change in current assets

- NOK500m private placement
- Inventory and receivables up due to company growth - ensuring product availability

Change in liabilities

- Provisions due to employer's tax related to options
- Accounts payable up due to company growth
- Growth loan to be repaid in 1Q21 - shifted to short-term debt

	Unaudited 31.12.2020	Audited 31.12.2019
Consolidated balance sheet (NOK 1 000)		
Assets		
Research & development	4 676	
Licenses	5 183	3 672
Deferred tax asset	22 545	4 477
Goodwill	39 029	
Tangible assets	5 112	2 312
Long-term receivables	13 002	337
Total non-current assets	89 547	10 798
Inventory	40 223	29 029
Accounts receivables	59 822	40 737
Other short term receivables	13 358	14 169
Cash and cash equivalents	537 075	49 077
Total current assets	650 478	133 012
Total assets	740 025	143 809
Equity and liabilities		
Total paid-up equity	723 082	97 820
Other equity	-59 448	- 314
Total equity	663 634	97 506
Interest bearing long-term debt		17 889
Other provisions	12 305	
Total non-current liabilities	12 305	17 889
Accounts payable	23 501	12 149
Tax payable	3	39
Public duties payable	7 938	3 416
Interest bearing short-term debt	16 222	
Other short-term debt	16 420	12 810
Total current liabilities	64 083	28 414
Total equity and liabilities	740 025	143 809



Outlook



Winner at CES 2021

- Present at CES 2021 digital event from Jan 11-14
- Won TWO CES innovation awards:
 - Wave Mini with Mold Risk Indication
 - Wave Plus for Business with Virus Risk Indication
- Launched campaign with American Lung Association in connection with Radon Action Month in the US
- Launched airforkids.com – a new site educating kids, parents and teachers about healthy air



Official Air Quality Partner of the Champions Chess Tour

- Chess is booming worldwide after going online (esport) and popularity of Queen's Gambit series (Netflix)
- Champion's Chess Tour streaming live Airthings air quality data for the world's top chess players, competing from their homes. 9 tournaments in 2021 season
- Highlight importance of air quality for health, wellbeing and cognitive abilities
- >12 million total views on Eurosport, YouTube, Twitch, NRK ++
- [Airthings.com/chess](https://airthings.com/chess)



AIRTHINGS		For home	For business	For pro				
#1		Magnus Carlsen	535 CO ₂ (ppm)	24.61°C Temp	57.5% Humidity	86 VOC (ppb)	7 Radon (Bq/m ³)	1008.1 Pressure (mbar)
#5		Maxime Vachier-LaGrave	587 CO ₂ (ppm)	20.93°C Temp	32% Humidity	163 VOC (ppb)	4 Radon (Bq/m ³)	1008.6 Pressure (mbar)
#9		Wesley So	1059 CO ₂ (ppm)	23.48°C Temp	33% Humidity	212 VOC (ppb)	58 Radon (Bq/m ³)	977.9 Pressure (mbar)
#11		Anish Giri	917 CO ₂ (ppm)	24.16°C Temp	37.5% Humidity	119 VOC (ppb)	1 Radon (Bq/m ³)	1018.6 Pressure (mbar)
#22		Pentala Harikrishna	1123 CO ₂ (ppm)	23.43°C Temp	34% Humidity	67 VOC (ppb)	50 Radon (Bq/m ³)	959.9 Pressure (mbar)
#61		David Anton Guijarro	1262 CO ₂ (ppm)	22.95°C Temp	30% Humidity	58 VOC (ppb)	17 Radon (Bq/m ³)	931.2 Pressure (mbar)

EUROSPORT

NRK



CHAMPIONS
CHESS TOUR
AIRTHINGS MASTERS

CO₂ Alert

CO₂ monitoring is one of the easiest ways to ensure that your room has adequate ventilation to minimize the spread of **viruses** and to ensure people in the room stay **alert** and **productive**

New regulations

- Netherlands: Schools should measure CO₂ levels.
- Germany: Schools and offices should measure CO₂ levels
- US: CO₂ monitoring requirements for restaurants in Washington and schools in California



101% * increase in overall cognitive abilities

increase in strategic thinking **288%** *

299% * increase in information usage abilities

* <https://dash.harvard.edu/bitstream/handle/1/27662232/4892924.pdf>

Know when your classroom needs a breather



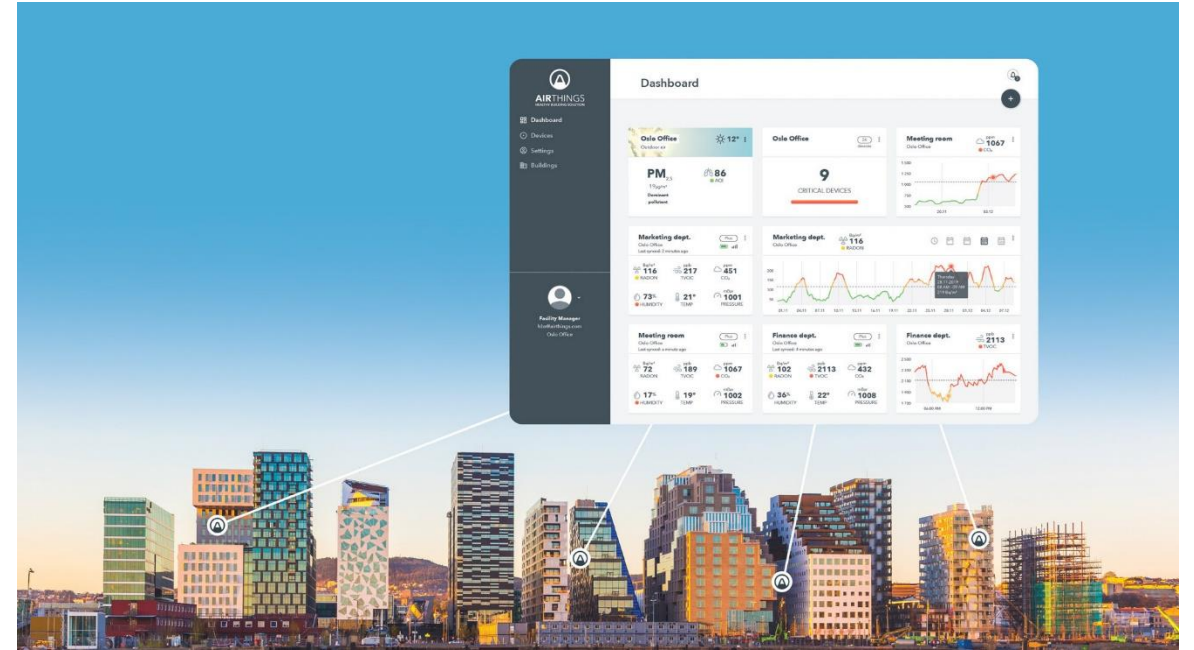
Airthings for Business now offers CO₂ alert

Airthings for Business

***Pål Berntsen,
VP & GM, Airthings for Business***



IN EVERY SPACE



IN EVERY
BUILDING



Airthings for Business **Value Proposition**



Airthings for Business Focus

Maintain momentum
and continue to deliver
demand-driven features

PRODUCTS

Expand market coverage
with partners and local sales
people in new countries

SALES

Build brand awareness
to build pipeline

MARKETING

Continuously engage
existing customers to make
them successful

CUSTOMER SUCCESS

Growth Pillars



Airthings for Business 4Q Result

Maintain momentum

- Launch of Virus Risk Indicator, CO2 Alert and Mold Risk Indicator

PRODUCTS

Expand market coverage

- Customer split 4Q Norway 50% vs Worldwide 50%
- Direct Sales 60% vs Partner Sales 40%
- 24% of all customers are wins in 4Q

SALES

Build brand awareness

- Inbound leads grew with 147% QoQ with total of 243 leads
- Conversion rate is 16% within 3 months for inbound leads

MARKETING

Continuously engage

- 35% of all existing customers have placed two or more orders

CUSTOMER SUCCESS

Growth Pillars



Airthings for Business **Segment Update**



11%

IN OFFICES
(Tenants)



25%

IN BUILDINGS
(FM/Building Owners)



24%

IN PUBLIC SECTOR



40%

**THROUGH SYSTEM
INTEGRATORS**



Airthings for Business **Customer Cases**



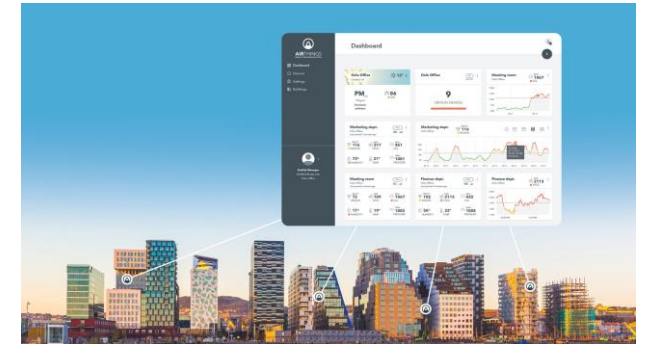
Airthings for Business Summary

- Great results
- Built for growth
- Huge opportunity

IN EVERY SPACE



IN EVERY BUILDING



#1 INDOOR AIR QUALITY MONITORING AND CONTROL



Outlook and Guidance

- 2021 Revenue of NOK **315m - 345m**
(Up from previous guiding of 300m - 340m)
- 2021-end ARR of NOK **32m - 40m**
(Up from previous guiding of 30m)
- 1Q21 Revenue of NOK **57m - 65m**
- 1Q21-end ARR of NOK **14m - 17m**



Summary

- Record 4Q20 with NOK 84m in revenue and solid GPM
- Our outlook for 2021 is stronger than last update, and expected revenue within NOK 315m - 345m and ARR of NOK 32m - 40m
- Great execution throughout the organization
- On our path to reach the 2024 goals

2024 Goal

**Revenue of
NOK1 000m+**

**ARR of
NOK200m+**

**Global leader in
indoor air
quality for home
and businesses**





Breathe better. Live better.