



**AIRTHINGS**

# 1Q21 Presentation

April 29, 2021

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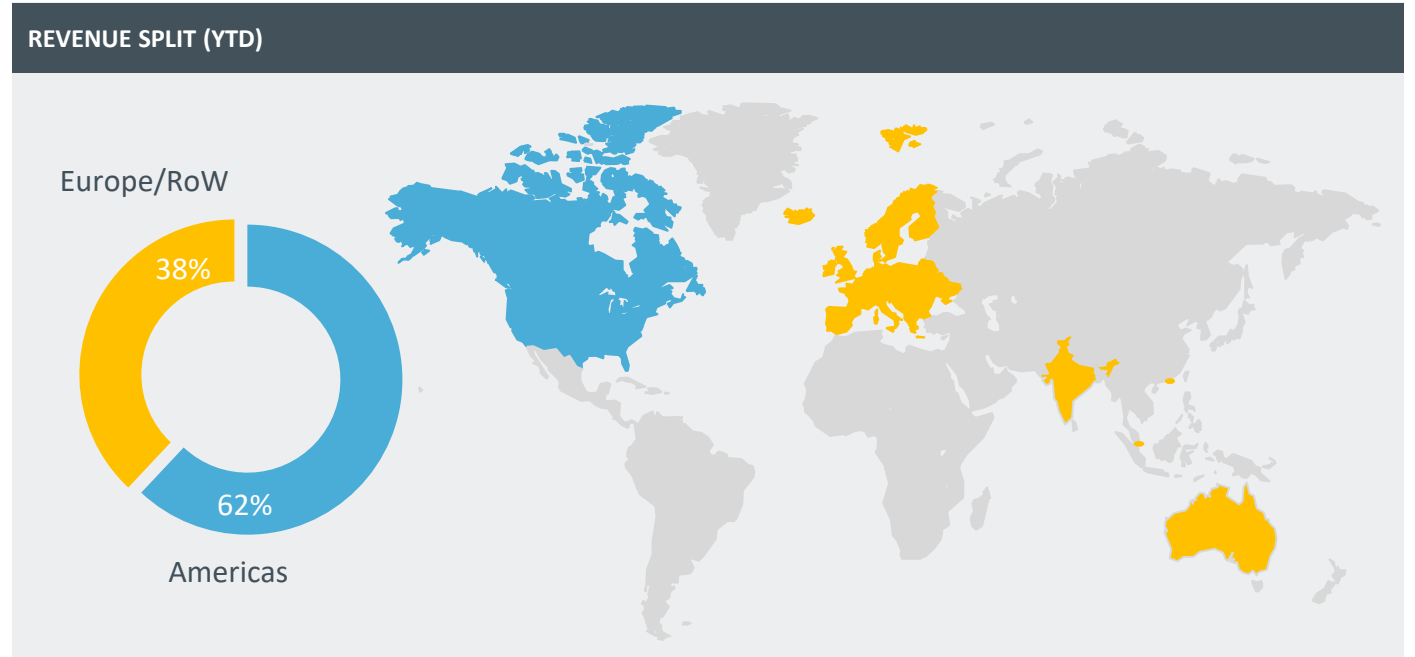
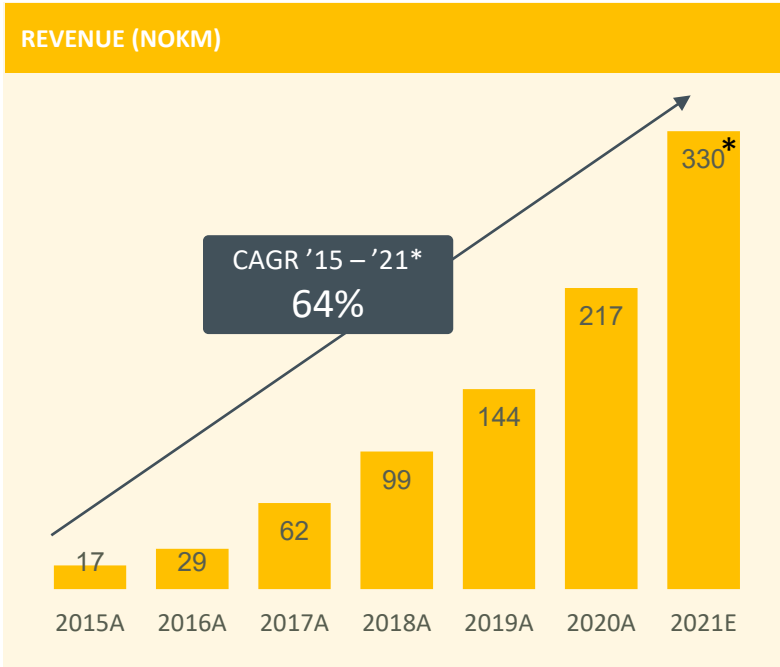




# PURPOSE

Empower the world  
to breathe better

# High-growth international business



~120 employees from 30+ nations

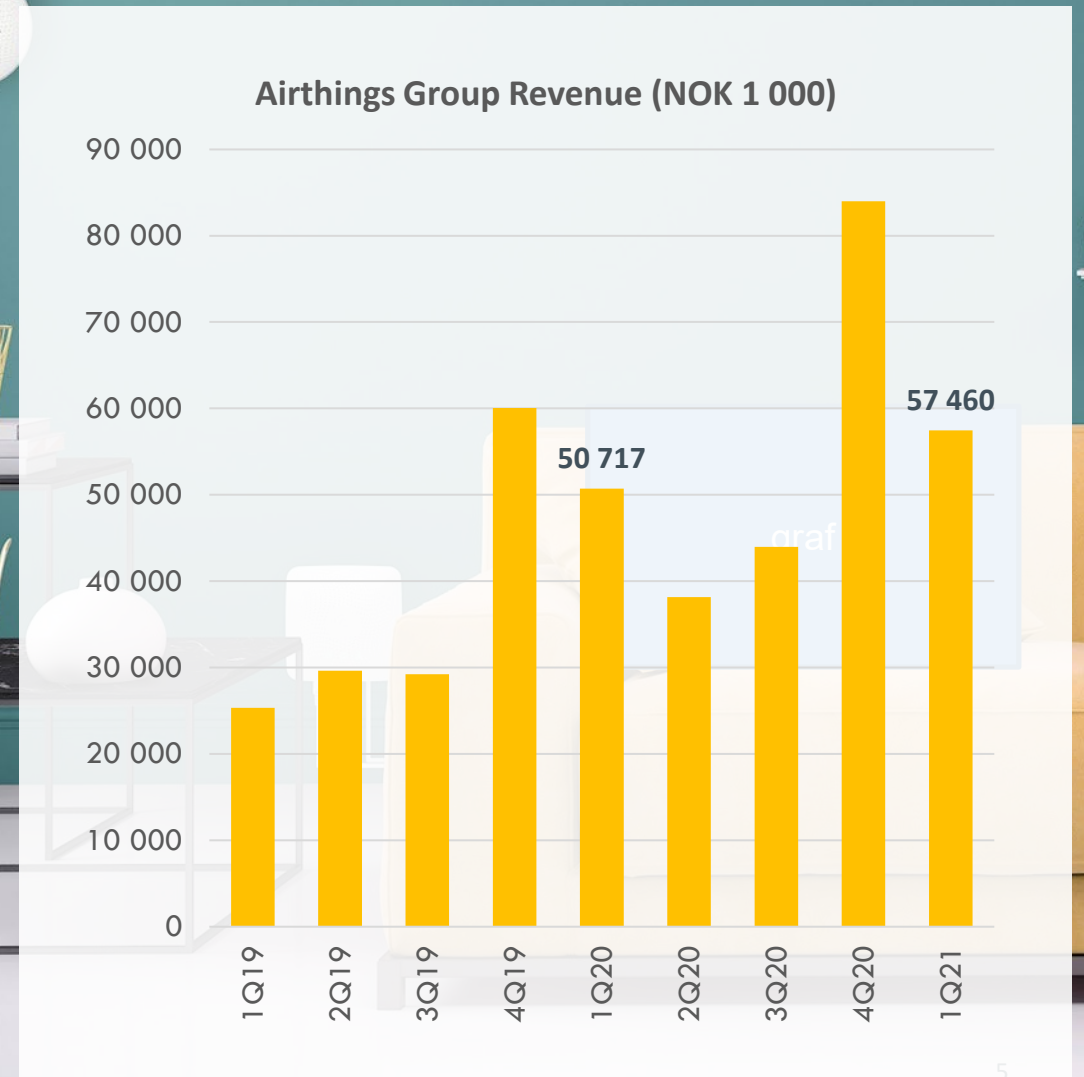
HQ in Oslo, with offices/sales out of Chicago, Stockholm, Boston, Atlanta, Florida, Munich, London, Bergen, and Quebec City

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

\* Midpoint of estimated revenue range 2021e

# 1Q in line with guidance - strong outlook for 2Q

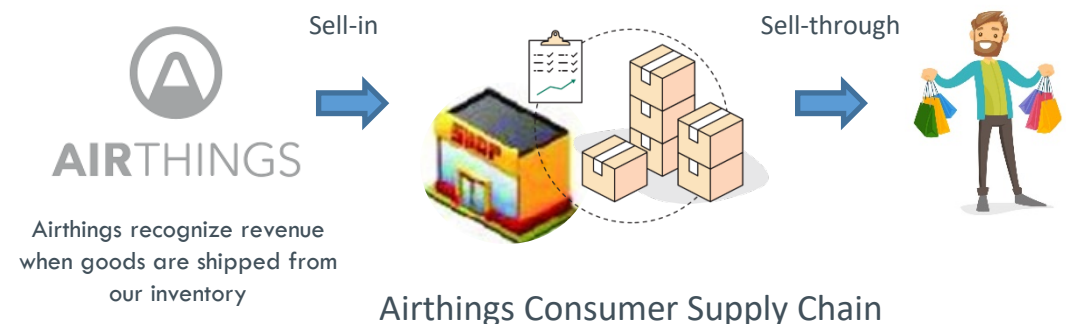
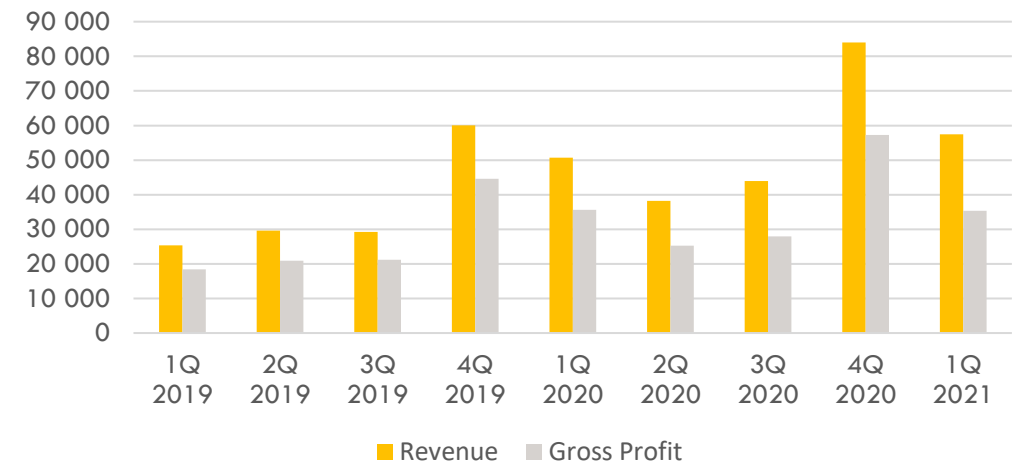
- 1Q21 Sales revenue of NOK 57.5m, up 14% YoY
- 1Q21 ARR of NOK 14.2m, up 126% YoY
- 1Q21 Gross profit margin of 62%
- 2Q21 Revenue guidance of NOK 60m – 70m
- 2Q21 ARR guidance of NOK 16m – 20m



# Quarterly Fluctuations in Revenue and Gross Profits

- The Consumer revenue is driven by sell-in to our channel partners, while the end demand is set by sell-through
- Consumer revenue will have quarterly fluctuations depending on inventory levels at the channel partners
- We look at end-demand (sell-through) with product registrations, and average revenue over time to measure the growth of the Consumer business
- Gross profits is dependent on the different retailers and ecommerce partners as well as the product mix we are shipping in any given quarter
- 1Q21 has lower ship-in revenue, while strong sell-through as Amazon has reduced their target of inventory-days

Revenue and Gross Profit (NOK 1 000)



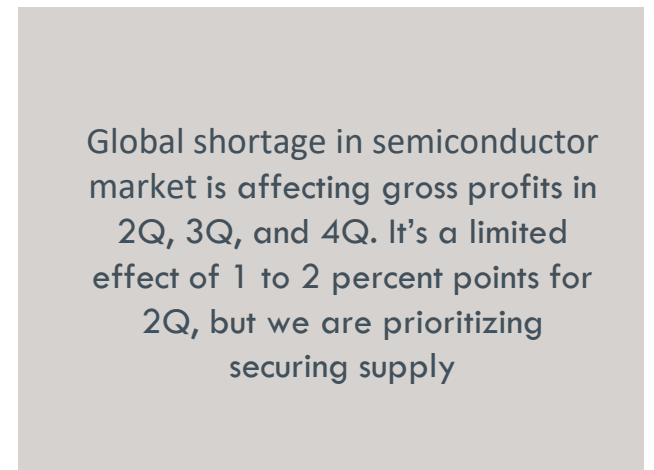
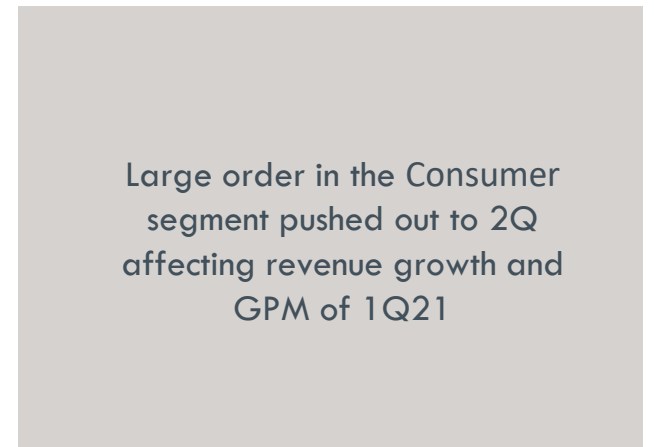


# Main events during the first quarter

## Quarterly Highlights



## Quarterly Lowlights



## View Plus

### - Addresses massive global issues

- 54m Americans live in areas that experience unhealthy spikes in particulate matter air pollution <sup>1)</sup>
- 50m Americans suffer from seasonal allergies <sup>2)</sup>
- 21 000 Americans die from radon induced lung cancer per year according to EPA

1) American Lung Association

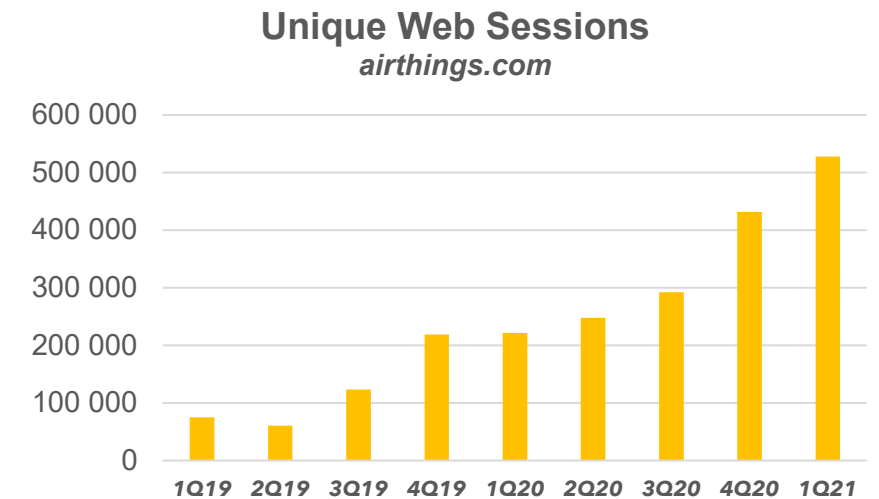
2) AAFA.org





# Our Best Performing Campaign To Date

- Over 4m views of View Plus videos on YouTube & Facebook during launch
- Magnus Carlsen first to use the View Plus – Air quality streamed live during Champions Chess Tour coverage worldwide
- Big increase in web traffic to [airthings.com](https://airthings.com) during launch



# Already very strong demand in the market

- Thousands of pre-orders and bookings from consumers and partners
- High interest from retailers and e-commerce channels to roll-out View Plus
- Will drive significant revenue from 3Q

*“The View Plus is a gamechanger in the market – a comprehensive indoor air quality monitor that every commercial building owner can use to track key pollutants in the air.”*

Brook Potter, Director of Product Management, Schneider Electric



*“We see a big increase in demand for products related to climate and air quality. Now with the View Plus, Airthings have a unique offering to the market that we are very excited about. We expect to sell a lot of these in the months and years ahead..”*

Christian Nævdal, Sales Director SDA, Elkjøp Nordic



# Update by Segment



For everyone  
with a home

**Consumer**



For commercial &  
public buildings

**Business**



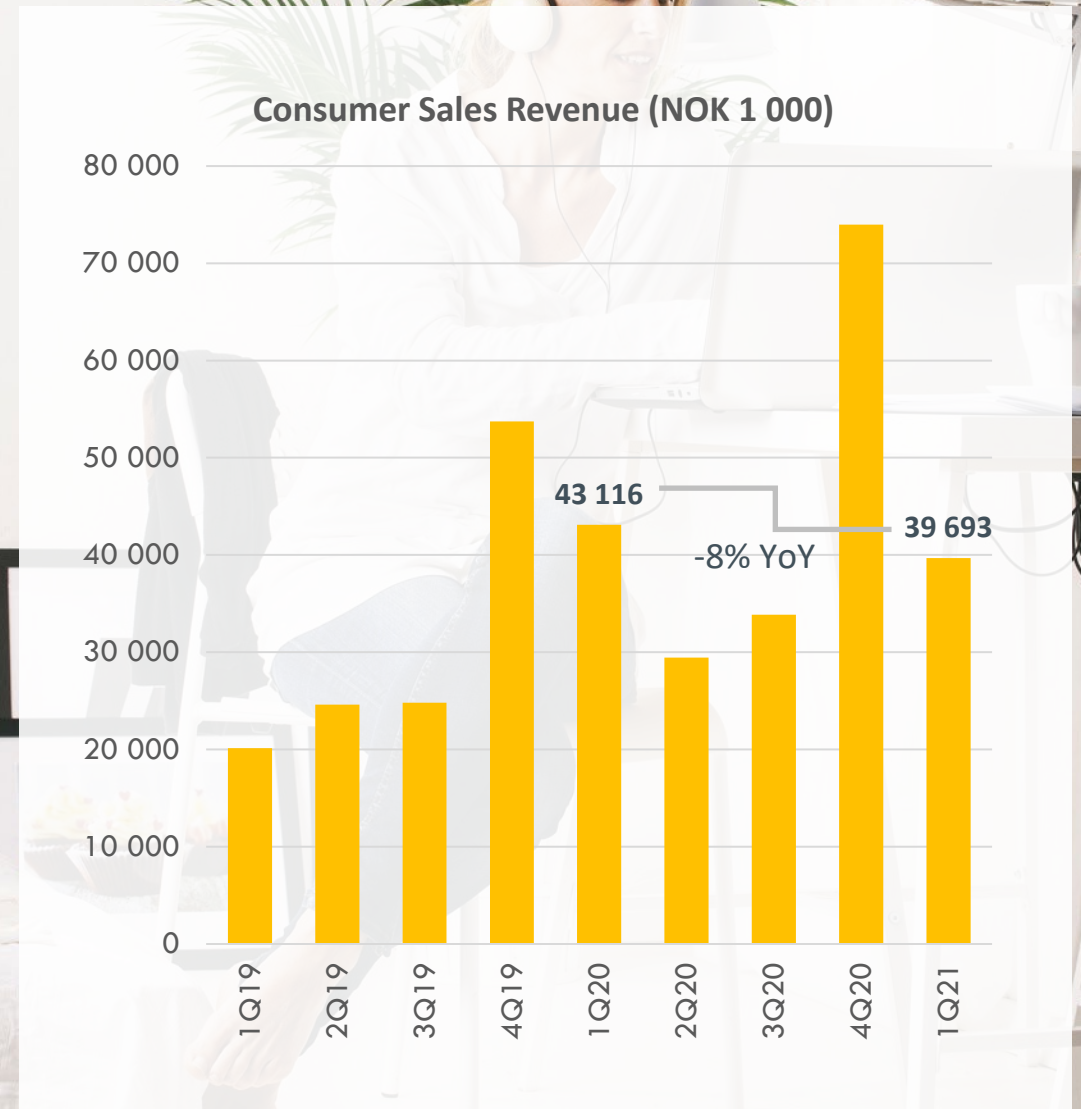
For home  
inspectors & radon  
professionals

**Pro**



# Consumer Segment 1Q Update

- Revenue of NOK39.7m
- Strong sell-through from retailers and distributors while the quarterly sell-in revenue was soft
  - >150% YoY growth of sell-through of smart products
- Large Amazon sell-in order moved from 1Q21 to 2Q21
- Seeing significant growth in DACH region
- Great momentum following View Plus launch with high number of pre-orders and bookings
- Rolling out to Walmart





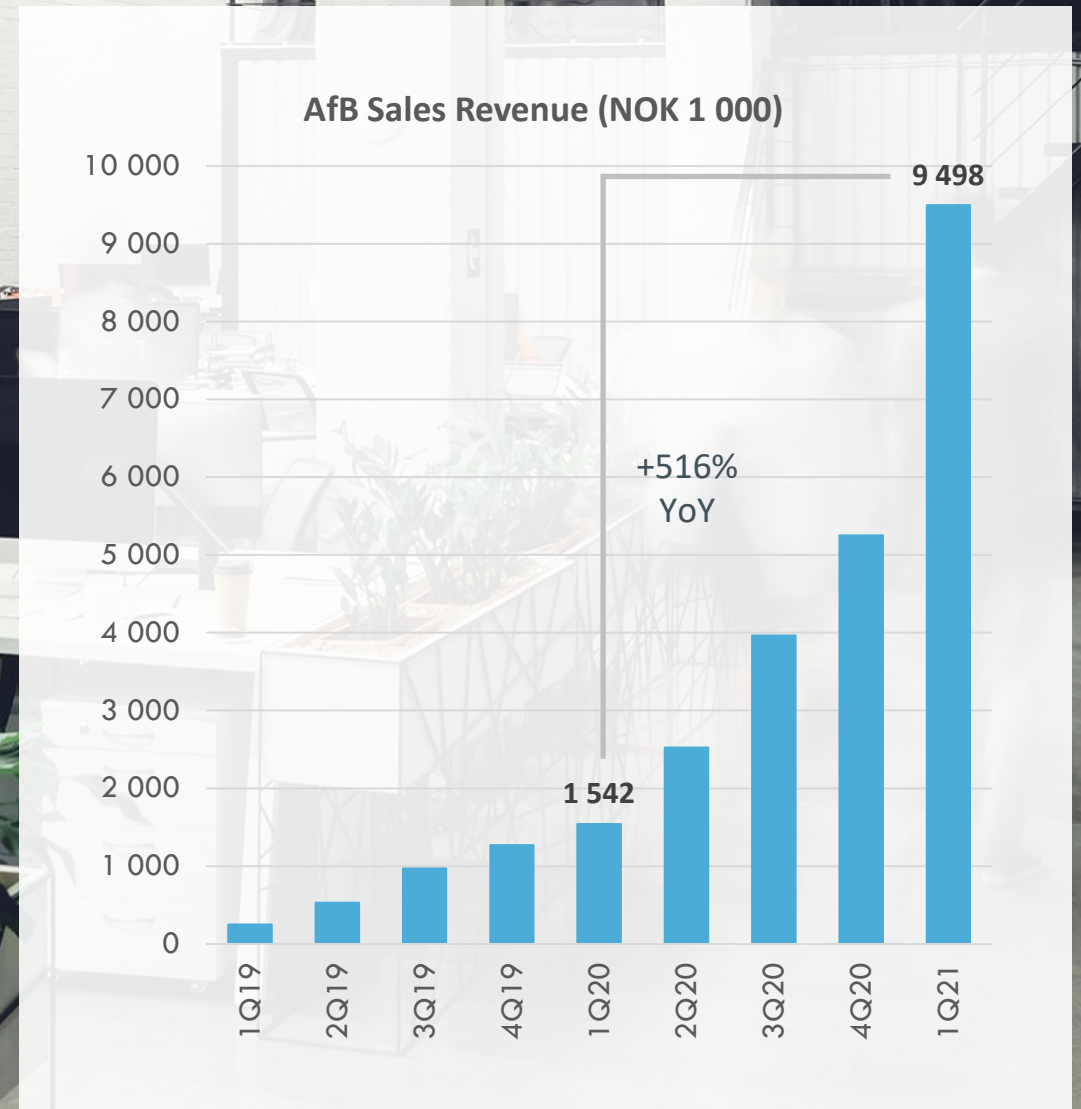
- World's largest retailer with more than 4,000 stores in the US
- Rolling out Wave Mini to 789 stores
- In time for their Spring Allergy Season
- Focus on Air Quality, Mold, and Pollen

**ASTHMA & ALLERGY**  
PREVENT COMMON TRIGGERS

AIR QUALITY MONITOR

# Business Segment 1Q Update

- Sales revenue of NOK9.5m and 516% YoY growth
- Strong growth & outlook for both revenue & ARR
- We have built a large partner network and 71% of revenue is now coming from partners
- Partners like Infogrid, Schneider, Maddock, and Evotech are driving significant growth
- Number of deals and deal size is increasing rapidly
- Low churn with <1% in 1Q21
- Great interest and bookings of View Plus. Backlog starting to ship June and July





# Airthings for Business:

## Examples of Success in Commercial Buildings

- One of the largest commercial real estate companies in the world has installed Airthings in over 20 commercial buildings in downtown Chicago.

**Will roll out to more buildings across the US.**

- CBRE Norway continues to roll out Airthings for Business and are now in 33 commercial buildings in Norway.

**Will continue to build on existing solution and add sensors to new buildings.**



# Airthings for Business:

## Success stories in Public Buildings

- East Porter School Corp in Indiana deployed Airthings for health and well-being of students and faculty at four schools.

**Resulting in healthier indoor air, a more productive environment & over \$23k in energy savings.**

- Airthings solution installed in 31 schools in Rotterdam ensuring a safe and comfortable indoor environment for children and teachers. The sensors also made the schools compliant with new regulations requiring CO2 monitoring in schools in Netherlands.

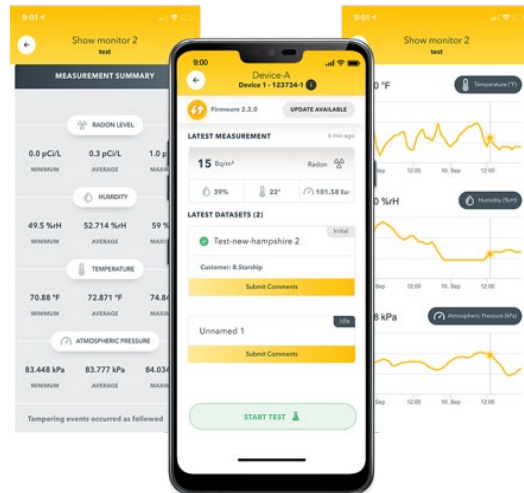
**Multiple new schools in the pipeline.**



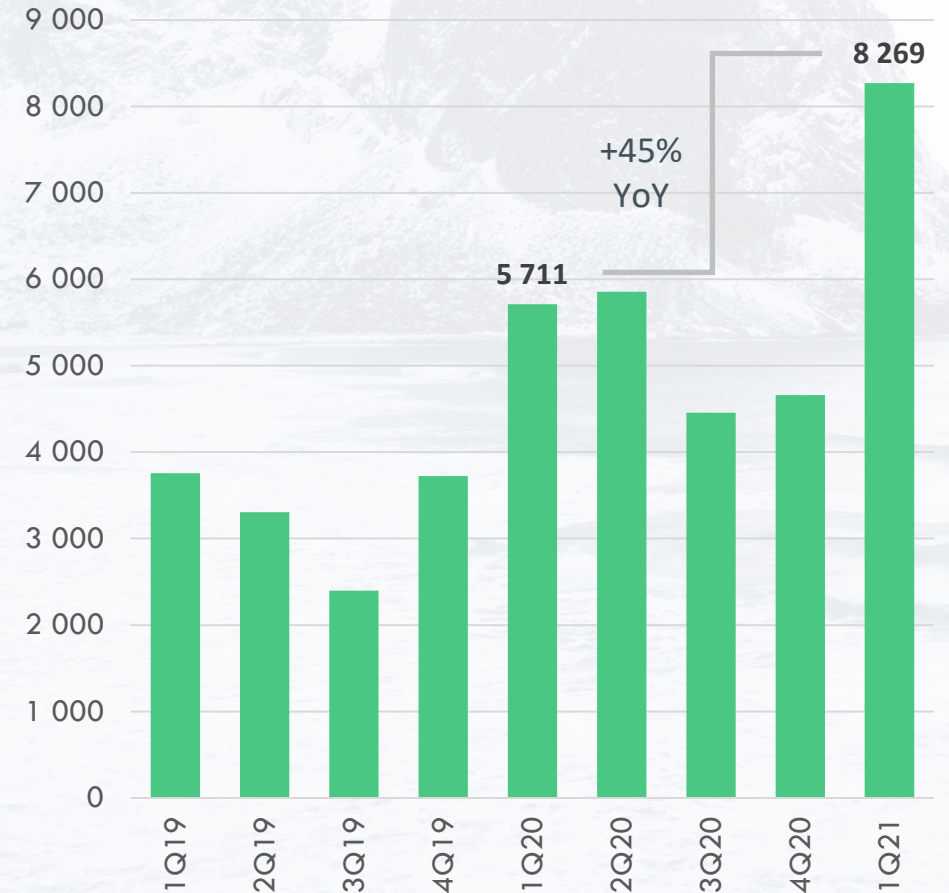


# Pro Segment 1Q Update

- Sales revenue of NOK8.3m, and 45% YoY growth
- Strong US housing market driving high demand for home inspections
- New regulations coming that will require homes in all 50 states to test for radon during home inspections
- We have differentiated products that offer the best user experience, enabling home inspections to be much more efficient. This is creating a happy and loyal customer base



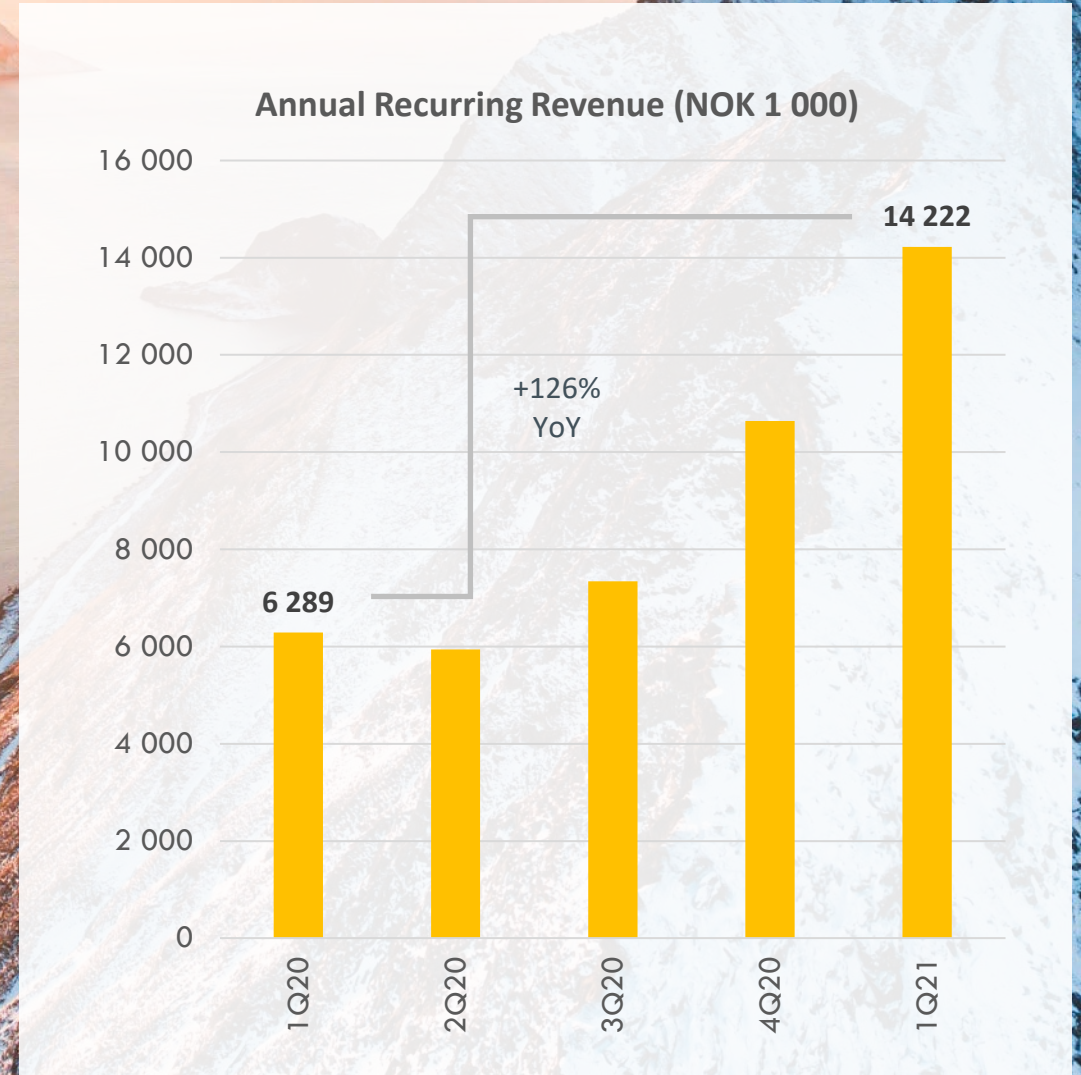
Pro Sales Revenue (NOK 1 000)





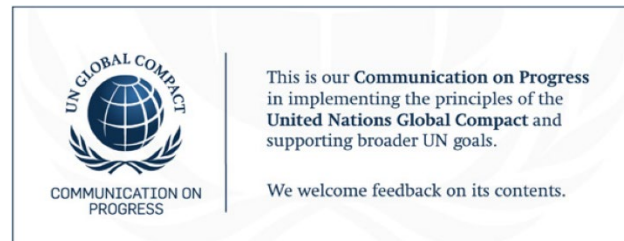
# Annual Recurring Revenue (ARR)

- Airthings for Business is driving the main ARR-growth while ARR from PRO is growing steadily at a slower pace
- Strong sell-in to AfB partners in 1Q21 will drive more ARR from second quarter
- >80% gross profits from ARR



# Released Sustainability Report

- At Airthings, our employees and Board are fully committed and engaged to the big positive impact we can have on the planet, on people, and for other businesses
- We released our first Sustainability Report and submitted to UN Global Compact
- We reviewed our progress in 2020, and set big ambitions to become a climate positive company by 2026 while we empower people around the globe to breathe healthier air
- We now have clearly defined ESG KPIs and will hold ourselves accountable



Planet

REDUCE  
**>1 000 000** tons of CO<sub>2e</sub>  
through energy optimization in buildings and homes by 2026

BECOME a  
**CLIMATE POSITIVE**  
company by 2026

ACHIEVE  
**ZERO WASTE**  
in our daily business activities by 2026



People

ENABLE  
**>4 000 000**  
people to breathe healthier air by 2026

COMMITTED to build a  
**DIVERSE & INCLUSIVE**  
company

**ZERO**  
HARASSMENT OR HUMAN RIGHTS VIOLATIONS



Business

EDUCATE  
**>1 000 000**  
children about air quality by 2026

GAIN  
a **GOLD RATING** from  
Ecovadis Sustainability

All **NEW PROJECTS** to be measured by Airthings

**CIRCULAR PRINCIPLES**

# Financials

Erik Lundby, CFO





# 1Q Key figures

## Sales revenue of NOK57.5m, up 14% YoY

- AfB and Pro are main drivers

## Gross margin at 62%

- Postponed Amazon order
- Higher share of AfB product sales with lower margin

## EBIT of NOK-33.4m

- Increased personnel expenses in accordance with expansion plan
- Marketing costs in conjunction View Plus launch
- Amazon Deal of the Day

	Unaudited 1Q21	Unaudited 1Q20
<b>Consolidated income statement (NOK 1 000)</b>		
Sales	57 460	50 369
Other revenue	0	348
<b>Total revenue</b>	<b>57 460</b>	<b>50 717</b>
Cost of sales	22 104	15 072
<b>Gross profit</b>	<b>35 356</b>	<b>35 645</b>
<b>Sales Gross Margin</b>	<b>62%</b>	<b>70%</b>
Payroll expenses	28 355	19 244
Other operating expenses	37 638	27 242
<b>EBITDA</b>	<b>-30 637</b>	<b>-10 841</b>
Depreciation and amortization	2 723	576
<b>Operating profit / EBIT</b>	<b>-33 360</b>	<b>-11 417</b>
Financial income	585	3 527
Financial expenses	1 621	359
Financial income / expenses - net	-1 036	3 168
<b>Profit (loss) before tax</b>	<b>-34 396</b>	<b>-8 249</b>
Income tax	- 11	- 4
<b>Net profit (loss)</b>	<b>-34 407</b>	<b>-8 253</b>
<b>Pre-split earnings per share (NOK)*</b>		
Basic earnings per share	-40.27	-14.35
Diluted earnings per share	-40.27	-14.35
<b>Post-split earnings per share (NOK)**</b>		
Basic earnings per share	-0.20	-0.07
Diluted earnings per share	-0.20	-0.07
*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 flow from operating activities

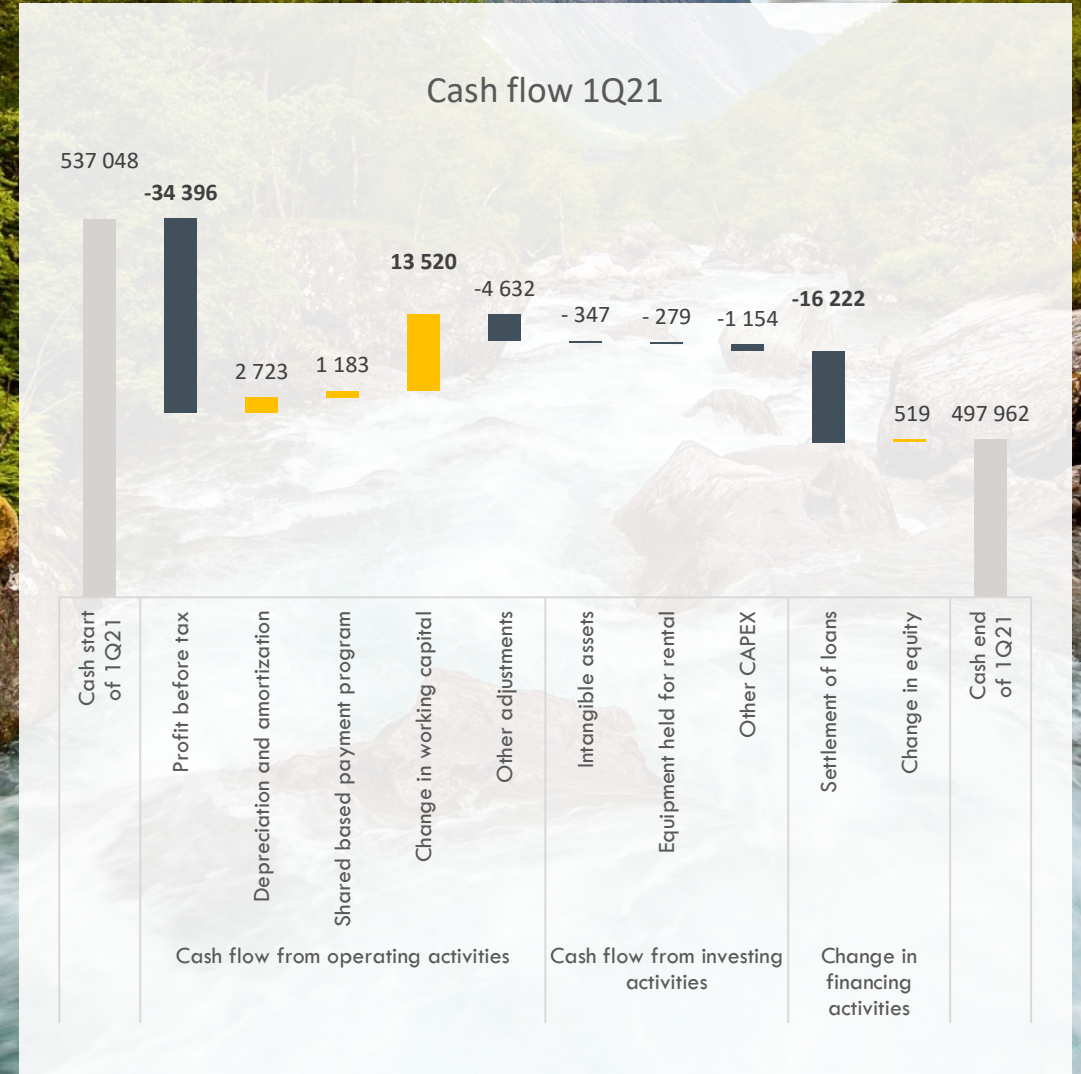
- Negative operating results of NOK-34.4m slightly offset by reduction in working capital of NOK13.5m primarily due to seasonality

## Negative cash flow from investment activities

- Purchase of office equipment and tooling in accordance with expansion plan and new product launch

## Negative cash flow from financing activities

- Repayment of growth loans



# Balance sheet

## Change in non-current assets

- Tangible assets up mainly due to purchase of office equipment
- Long-term receivables reduction due to effect on employers' tax as a result of change in market value on employee options

## Change in current assets

- Inventory increase due to securing volume in pressed semiconductor market, slightly offset by seasonality
- Accounts receivable change due to seasonality
- Other short-term receivables increase due to pre-payments of components

## Change in liabilities

- Other provisions change due to employers' tax on options
- Growth loans repaid
- Other short-term debt change mainly due to View Plus pre-orders and subscription revenue

	Unaudited	Audited
Consolidated balance sheet (NOK 1 000)	31.03.2021	31.12.2020
<b>Assets</b>		
Research & development	1 495	1 469
Software and systems	5 208	5 183
Deferred tax asset	22 933	22 933
Goodwill	34 475	36 427
Tangible assets	6 068	5 076
<b>Long-term receivables</b>	<b>10 461</b>	<b>13 004</b>
Total non-current assets	80 640	84 091
Inventory	46 549	40 095
Accounts receivables	40 417	59 730
<b>Other short-term receivables</b>	<b>23 996</b>	<b>17 387</b>
Cash and cash equivalents	497 962	537 048
Total current assets	608 924	654 261
Total assets	689 564	738 351
<b>Equity and liabilities</b>		
Total paid-up equity	1 711	1 706
Other equity	625 420	658 120
Total equity	627 131	659 826
Interest bearing long-term debt		
Other provisions	9 831	12 304
Total non-current liabilities	9 831	12 304
Accounts payable	24 449	23 788
Tax payable	37	
Public duties payable	3 086	7 577
Interest bearing short-term debt		16 222
<b>Other short-term debt</b>	<b>25 029</b>	<b>18 635</b>
Total current liabilities	52 601	66 222
Total equity and liabilities	689 564	738 351



# View Plus

Erlend Bolle, co-founder and CPO



# Meet View Plus

Complete control over the air you breathe  
and the power to change it



At home

At work





19  $\frac{\mu\text{g}}{\text{m}^3}$   
PM 2.5



*Now including*  
***Particle Sensor***





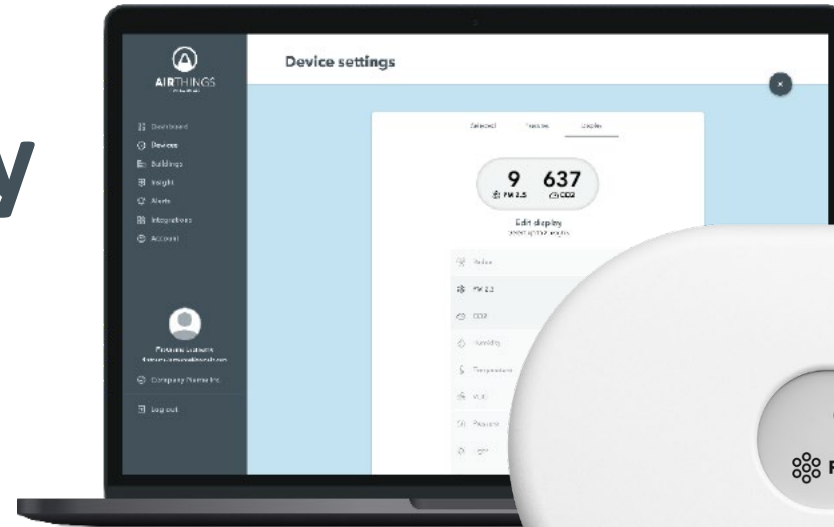
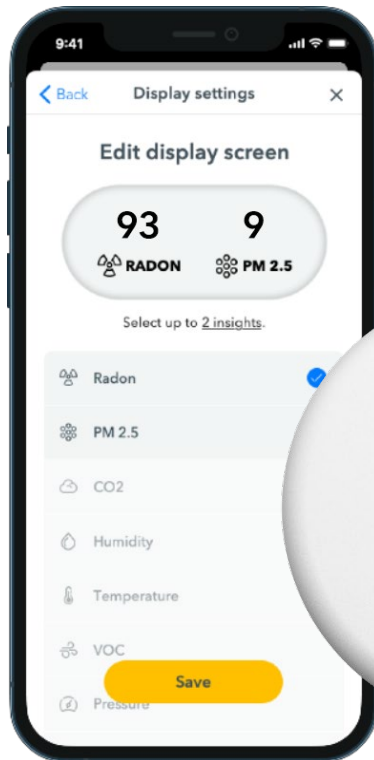
227  $\frac{\text{Bq}}{\text{m}^3}$   
RADON



*Next Generation*  
**Radon Sensor**



# Customizable Display



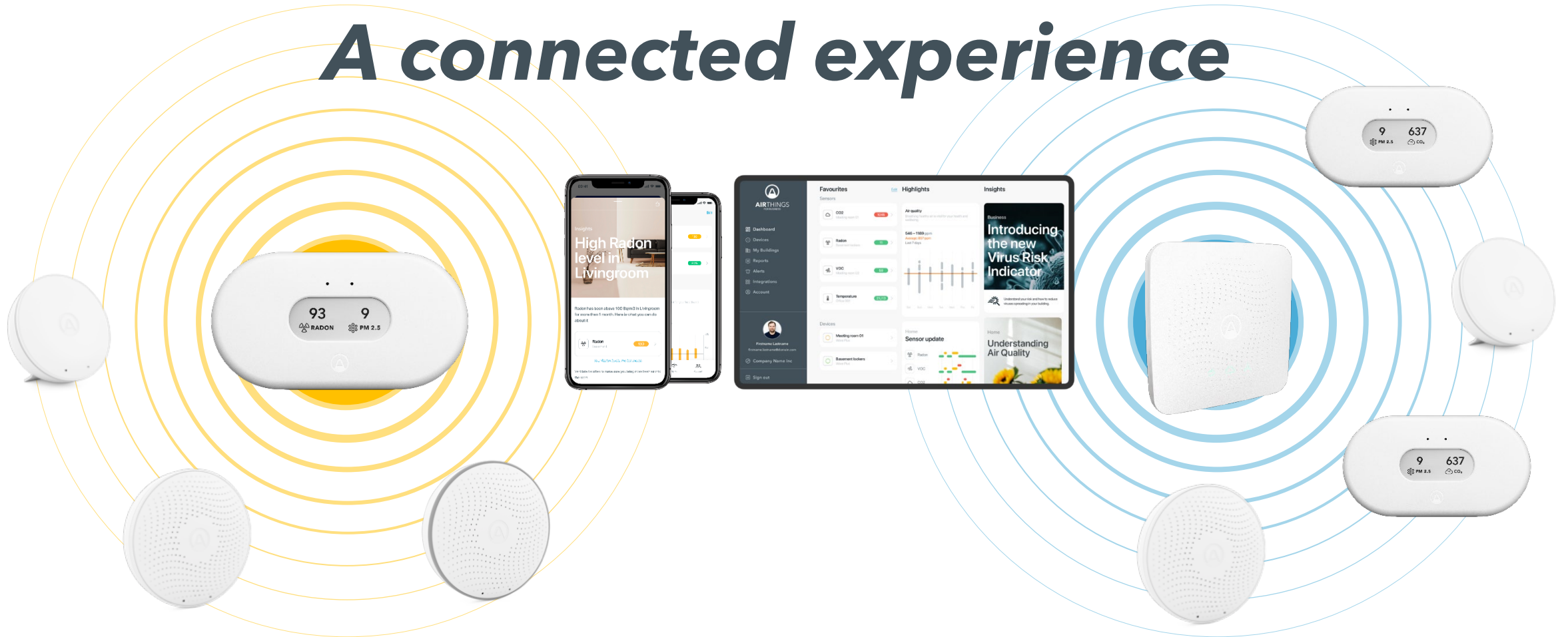


**Wi-Fi and truly  
wireless**





# A connected experience



Consumer

For business







9  $\mu\text{g}/\text{m}^3$   
PM 2.5















# The most advanced air quality tech.

A comprehensive, all-in-one answer to indoor air quality monitoring.

From the #1 air quality monitoring producer in the world.



# Summary and outlook



# Summary

- View Plus – The worlds’ most advanced air quality monitor launched and will be a new revenue generator from 3Q21
- Airthings for Business growing 516% YoY
- Rolling out to Walmart
- We are on our path to reach the 2024 goals

Revenue and ARR guidance (NOKm)	2Q21	FY21
Revenue	60 – 70	315 – 345
Annual Recurring Revenue	16 – 20	32 – 40

## 2024 Goal

Revenue of  
NOK1 000m+

ARR of  
NOK200m+

Global leader in  
indoor air quality for  
homes and  
businesses





Breathe better. Live better.