



**AIRTHINGS**

# ***2Q21 Presentation***

July 29, 2021

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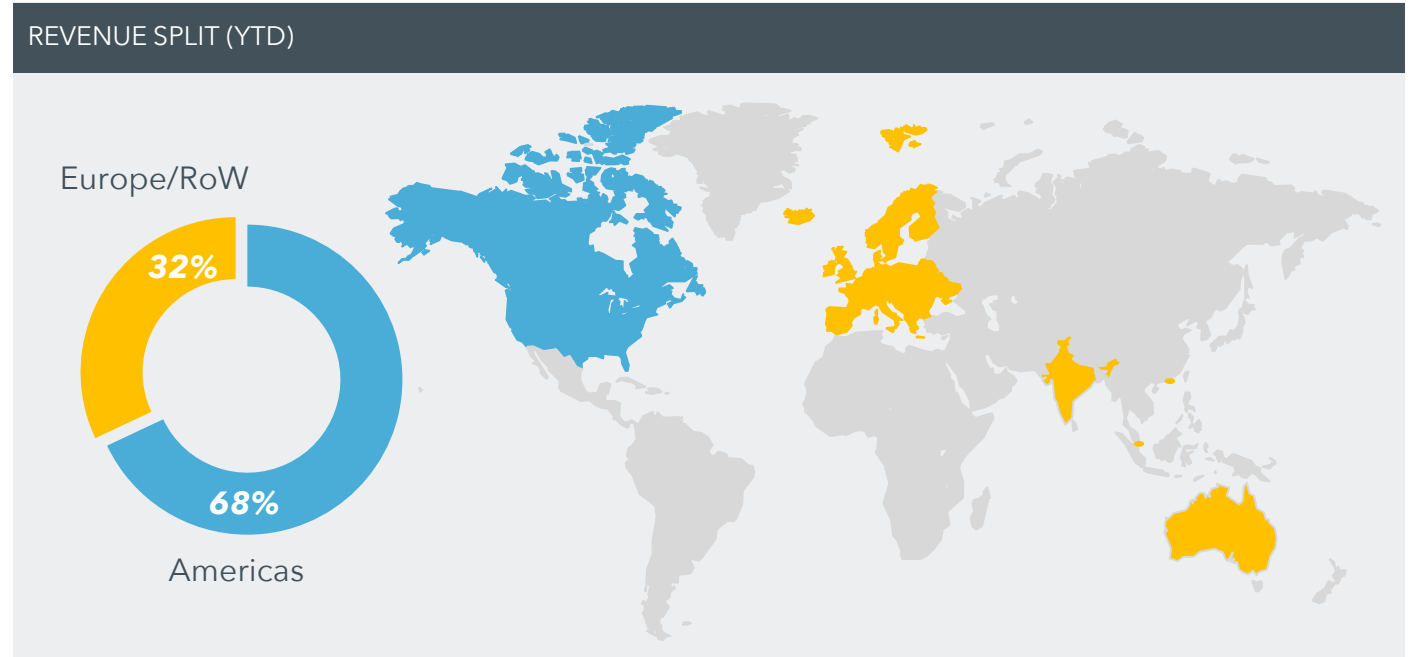
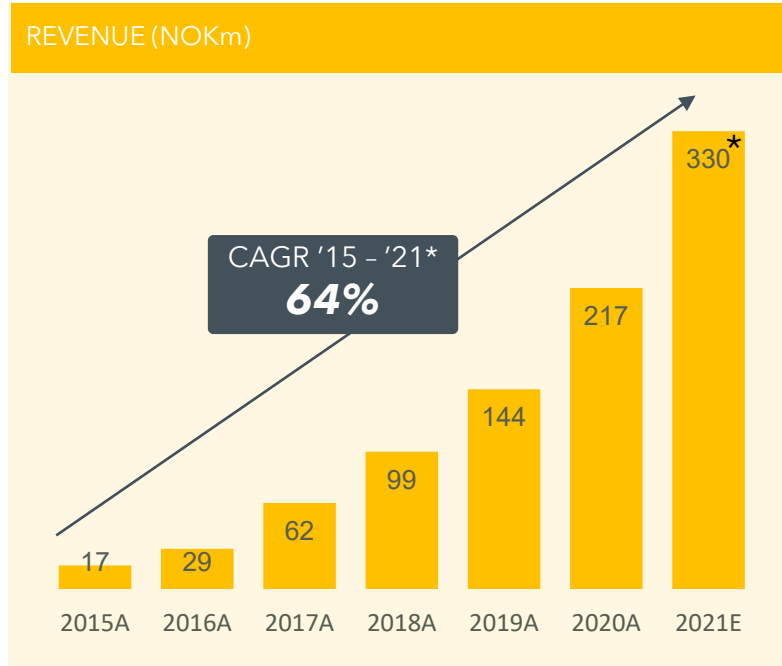




# ***PURPOSE***

**Empower the world  
to breathe better**

# High-growth international business



~130 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

\* Midpoint of estimated revenue range 2021e



# *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.*

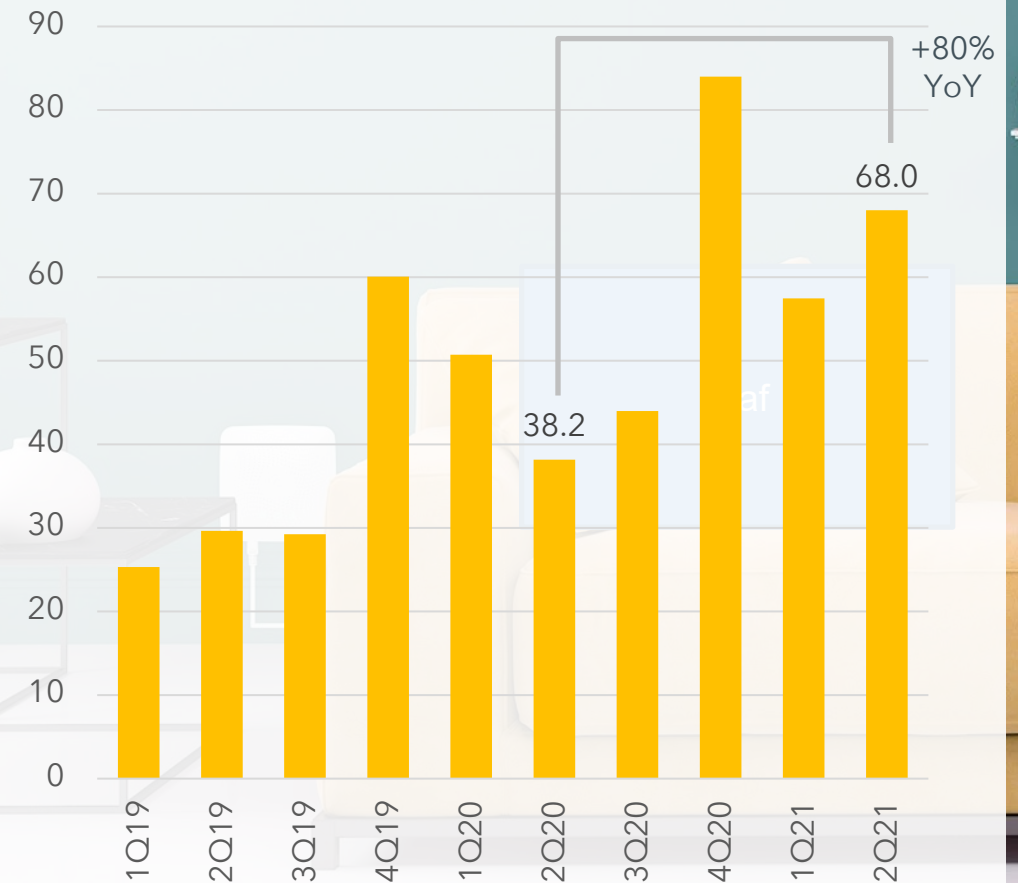




## Strong 2Q with 80% YoY growth

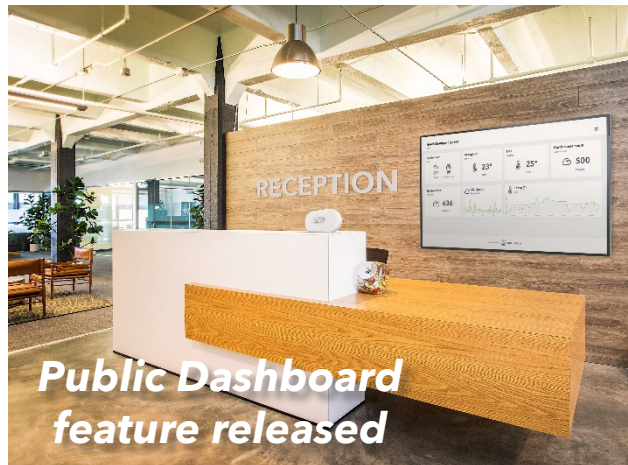
- 2Q21 Sales revenue of **NOK68m**, up **80% YoY**
- 2Q21 ARR of **NOK16.5m**, up **178% YoY**
- 2Q21 Gross profit margin of **67.1%**
- 3Q21 Revenue guidance of **NOK80m - 90m**
- 3Q21 ARR guidance of **NOK18m - 23m**

Airthings Group Revenue (NOKm)



# Main events during the second quarter

## Quarterly Highlights



## Quarterly Lowlights



# ***Update by Segment***



For everyone  
with a home

***Consumer***



For commercial &  
public buildings

***Business***



For home inspectors &  
radon professionals

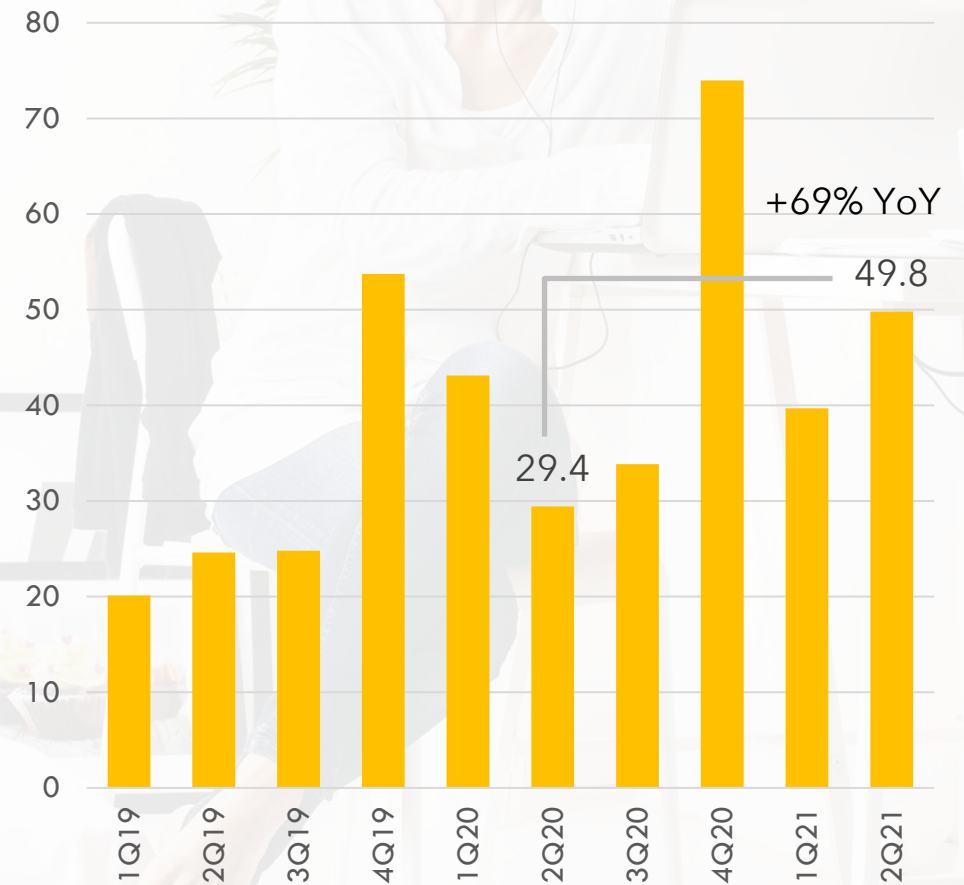
***Pro***



# Consumer Segment 2Q Update

- Revenue of **NOK49.8m** up **69% YoY**
- **66.7%** Gross Profit Margin
- CVS Health to carry Wave Mini in more than **3000 locations** across US
- Started shipping **View Plus** to consumers and expect strong sales as we expand product availability into key channels and new markets in 3Q
- Started shipping products to distributors in selected markets in **Asia Pacific**

Consumer Sales Revenue (NOKm)





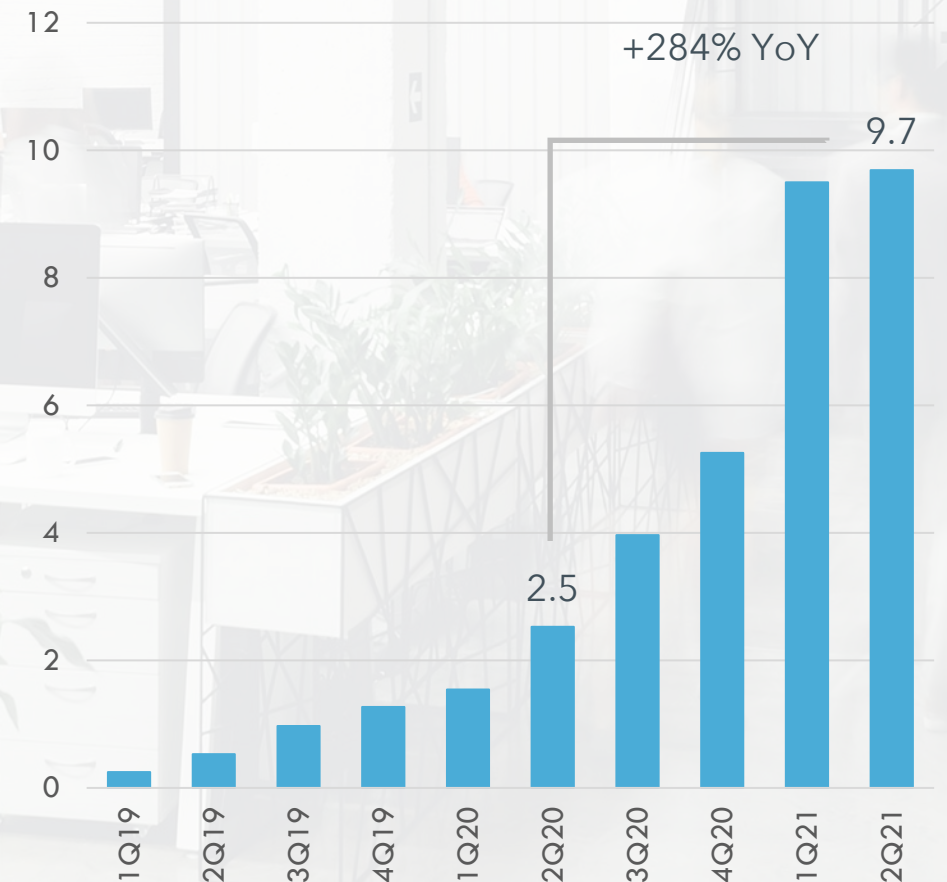
- Largest pharmacy retail chain in the US with ~**10,000 locations** across all 50 states
- Rolling out Wave Mini to **3 016** locations
- Product on display in **highly visible** prominent space near Pharmacy counter
- Focus on air quality monitoring to enable consumers to take **preventive steps** toward minimizing conditions like asthma and allergies



# Business Segment 2Q Update

- Sales revenue of **NOK 9.7m** and **284% YoY** growth
- **62.9%** Gross Profit Margin
- **View Plus** started to ship in 2Q, while most of the backlog and new opportunities will ship in 3Q
- Signed partner contract with **Carrier** who is a world leader within the HVAC industry
- We have built a large partner network and about **75% of revenue** is now coming from partners
- Countries driving most **growth** in 2Q are UK, Netherlands, Singapore, Italy and the US
- Low churn with **<1%** in 2Q21

AfB Sales Revenue (NOKm)





# **Airthings for Business:** **Strategic Agreement with Carrier**



- Carrier Corporation (NYSE: CARR) is a **leading global provider** within the HVAC and Fire & Safety industries
- More than **53,000 employees** serving customers in more than **180 countries**
- Revenue of **\$17.5 billion** in 2020
- Signed strategic agreement with Airthings in July



# Airthings for Business: Strategic Agreement with Carrier

The Airthings - Carrier cooperation will start with **Abound** (building optimization) & **Edwards** (Fire and Safety).

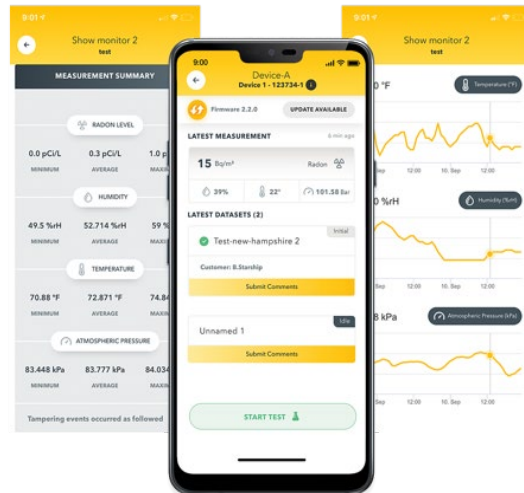
- Initial rollout in the US and Canada. Europe as next phase
- Activating Carrier Fire & Safety channels to market, **targeting over 500 sales offices in the U.S**
- **Training** of their sales teams has just begun and will continue through 3Q and 4Q
- **Co-marketing** activities has just started
- We have started several **pilot installations** in office spaces, schools, and a professional sports stadium
- We have developed a Partner Portal in the Airthings Dashboard to enable Carrier's sales teams



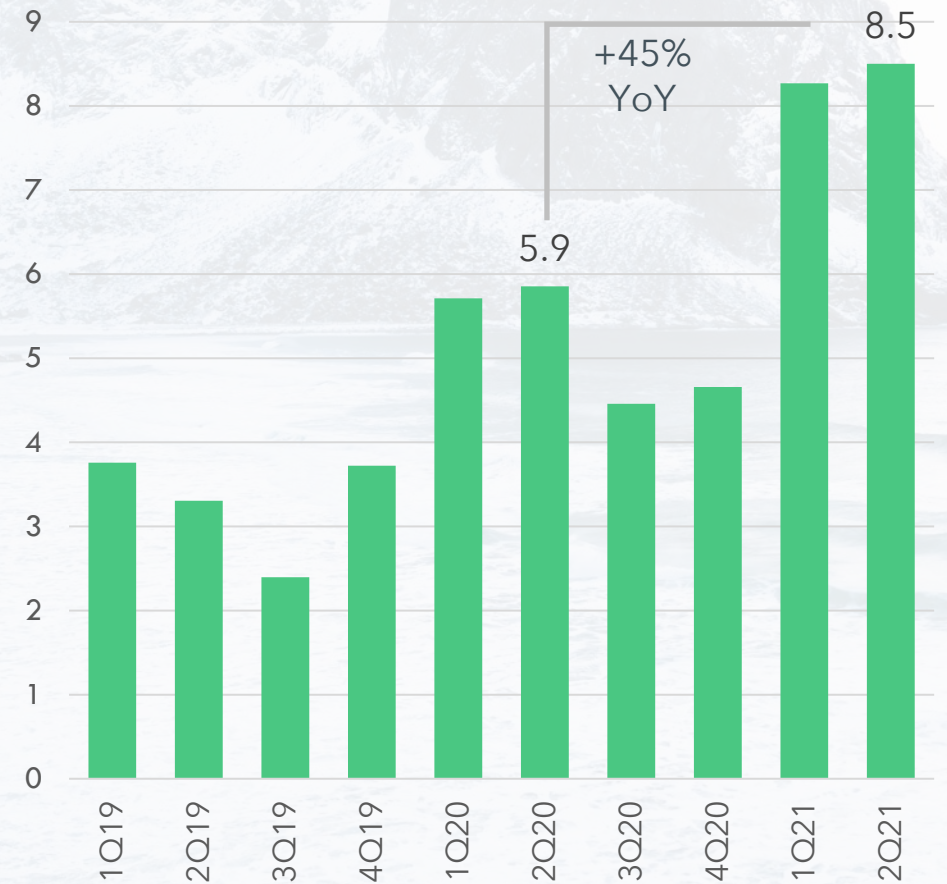


# Pro Segment 2Q Update

- Sales revenue of **NOK8.5m**, and **45% YoY** growth
- **74.8%** Gross Profit Margin
- Despite a challenging US Home Inspector market for 2Q, we are growing our **market share**
- We are now a **leading provider** of certified continuous radon monitors to the main radon professional associations in the US; AARST/NRPP and NRSB



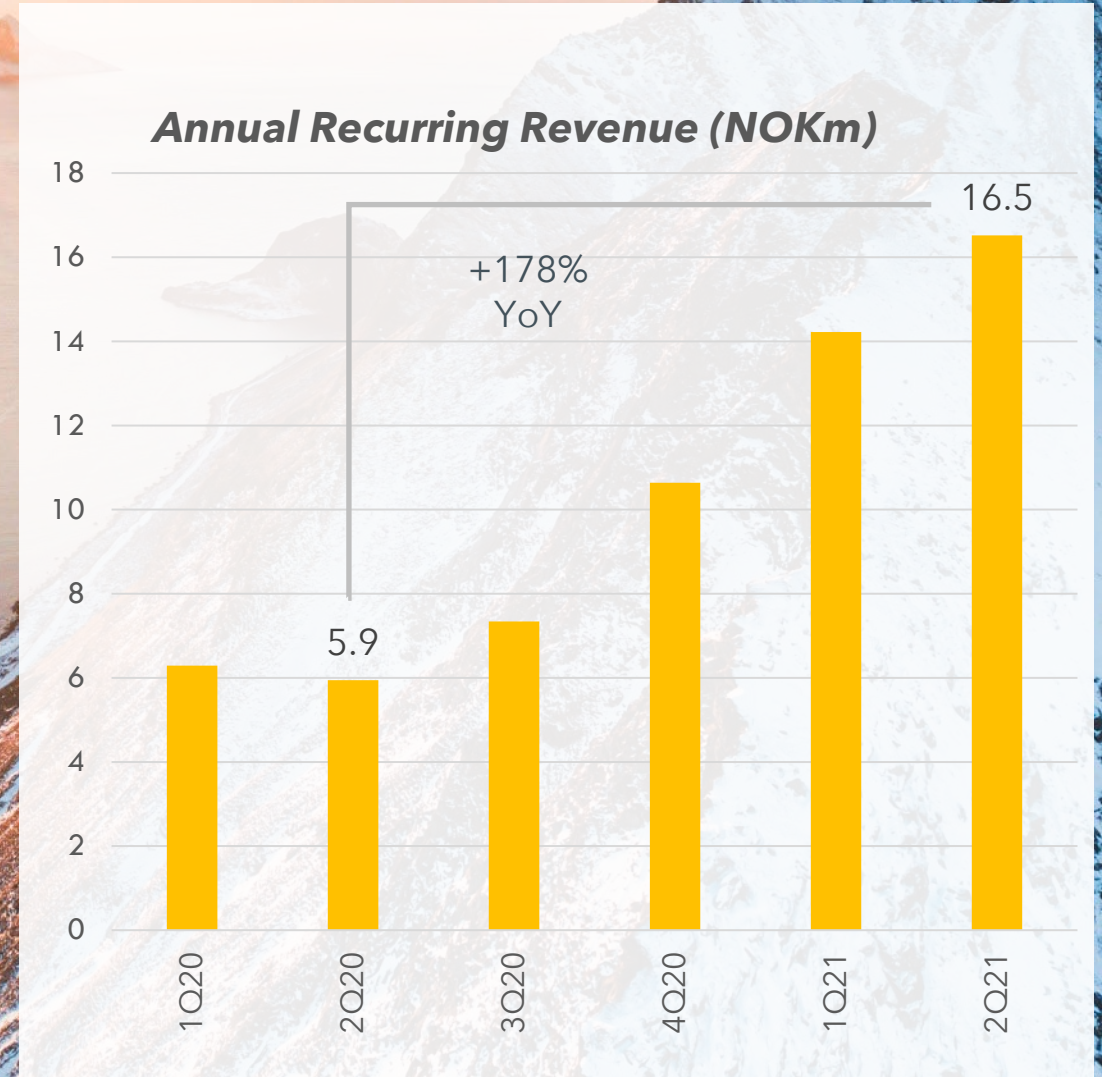
Pro Sales Revenue (NOKm)





# Annual Recurring Revenue (ARR)

- End of 2Q21 ARR of **NOK16.5m**, up **178% YoY**
- **Delayed roll-out** of Airtight technology is affecting 2Q ARR vs our plan. We expect ARR growth to increase further in 2H, but we reduce the ARR guided window for 2021 by 5m to 27m - 35m
- **>80%** gross profits from ARR



# ***Financials***

***Erik Lundby, CFO***



# 2Q Key figures

Sales revenue of **NOK68.0m**, up **80% YoY**

- Strong growth across all segments

Sales gross margin at **67.1%**

- Postponed Amazon order from 1Q came in 2Q as presented in last update
- Higher share of high-margin service revenue
- Product mix
- YTD GPM of 65% as planned

EBIT of **NOK-20.7m**

- Increased personnel expenses in accordance with expansion plan
- Campaigns - Amazon Deal of the Day
- Office expansion
- EBIT is improving as planned

	Unaudited	Unaudited	Unaudited	Unaudited
Consolidated income statement (NOKm)	2Q21	2Q20	YTD 2021	YTD 2020
Sales revenue	68.0	37.9	125.5	88.3
Other revenue	0.2	0.3	0.2	0.6
<b>Total revenue</b>	<b>68.2</b>	<b>38.2</b>	<b>125.7</b>	<b>88.9</b>
Cost of sales	22.4	12.9	44.5	28.0
<b>Gross profit</b>	<b>45.8</b>	<b>25.2</b>	<b>81.2</b>	<b>60.9</b>
Sales gross margin	67.1%	65.9%	64.5%	68.3%
Payroll expenses	31.2	20.6	59.6	39.8
Other operating expenses	32.6	14.9	70.3	42.2
<b>EBITDA</b>	<b>-18.0</b>	<b>-10.3</b>	<b>-48.6</b>	<b>-21.2</b>
Depreciation and amortization	2.7	0.5	5.3	1.0
<b>Operating profit / EBIT</b>	<b>-20.7</b>	<b>-10.8</b>	<b>-53.9</b>	<b>-22.2</b>
Financial income	1.4	0.1	0.4	3.5
Financial expenses		0.2	0.0	0.5
Financial income / expenses - net	1.4	-0.2	0.3	3.0
<b>Profit (loss) before tax</b>	<b>-19.4</b>	<b>-11.0</b>	<b>-53.6</b>	<b>-19.2</b>
Income tax	-0.1	0.0	-0.1	0.0
<b>Net profit (loss)</b>	<b>-19.3</b>	<b>-11.0</b>	<b>-53.5</b>	<b>-19.2</b>
<b>Earnings per share (NOK)*</b>				
Basic earnings per share	-0.11	-0.09	-0.31	-0.16
Diluted earnings per share	-0.11	-0.09	-0.31	-0.16

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



# Balance sheet

## Change in assets

- Long-term receivables decrease by **NOK2.9m** in 2Q (NOK5.5m in 1H) due to share price reduction effect on employer's tax related to employee option program
- Inventory increase by **NOK7.5m** during 2Q (NOK14.0m in 1H) due to component price increase and higher volumes to secure supply
- Accounts receivable is high due to high amount of closed deals in June

## Change in liabilities

- **Long-term provisions** reduction linked to employee option program
- Deferred tax liability of **NOK2.8m** come in as result of completed Purchase Price Allocation related to acquisition of Airtight
- Other current liabilities change mainly due to **View Plus** pre-orders and subscription revenue

	Unaudited	Restated*
Consolidated balance sheet (NOKm)	30.06.2021	31.12.2020
<b>Assets</b>		
Research & development	13.9	14.7
Software and systems	5.4	5.2
Deferred tax asset	22.9	22.9
Goodwill	23.6	26.4
Tangible assets	6.5	5.1
Long-term receivables	7.7	13.0
<b>Total non-current assets</b>	<b>80.0</b>	<b>87.3</b>
Inventory	54.1	40.1
Accounts receivables	61.9	59.7
Other current receivables	23.4	17.4
Cash and cash equivalents	462.2	537.0
<b>Total current assets</b>	<b>601.6</b>	<b>655.3</b>
<b>Total assets</b>	<b>681.6</b>	<b>741.6</b>
<b>Equity and liabilities</b>		
Share capital	1.7	1.7
Other equity	608.0	658.4
<b>Total equity</b>	<b>609.7</b>	<b>660.1</b>
Other provisions	7.0	12.3
Deferred tax liability	2.8	2.9
<b>Total non-current liabilities</b>	<b>9.8</b>	<b>15.2</b>
Accounts payable	23.8	23.8
Tax payable	0.1	
Public duties payable	7.5	7.6
Interest bearing short-term debt		16.2
Other current liabilities	30.6	18.6
<b>Total current liabilities</b>	<b>62.1</b>	<b>66.2</b>
<b>Total equity and liabilities</b>	<b>681.6</b>	<b>741.6</b>

\* Measurement period adjustments Airtight purchase price allocation.  
See note 5 in the 2Q21 report for further information.

# Cash flow

## Negative cash flow from operating activities

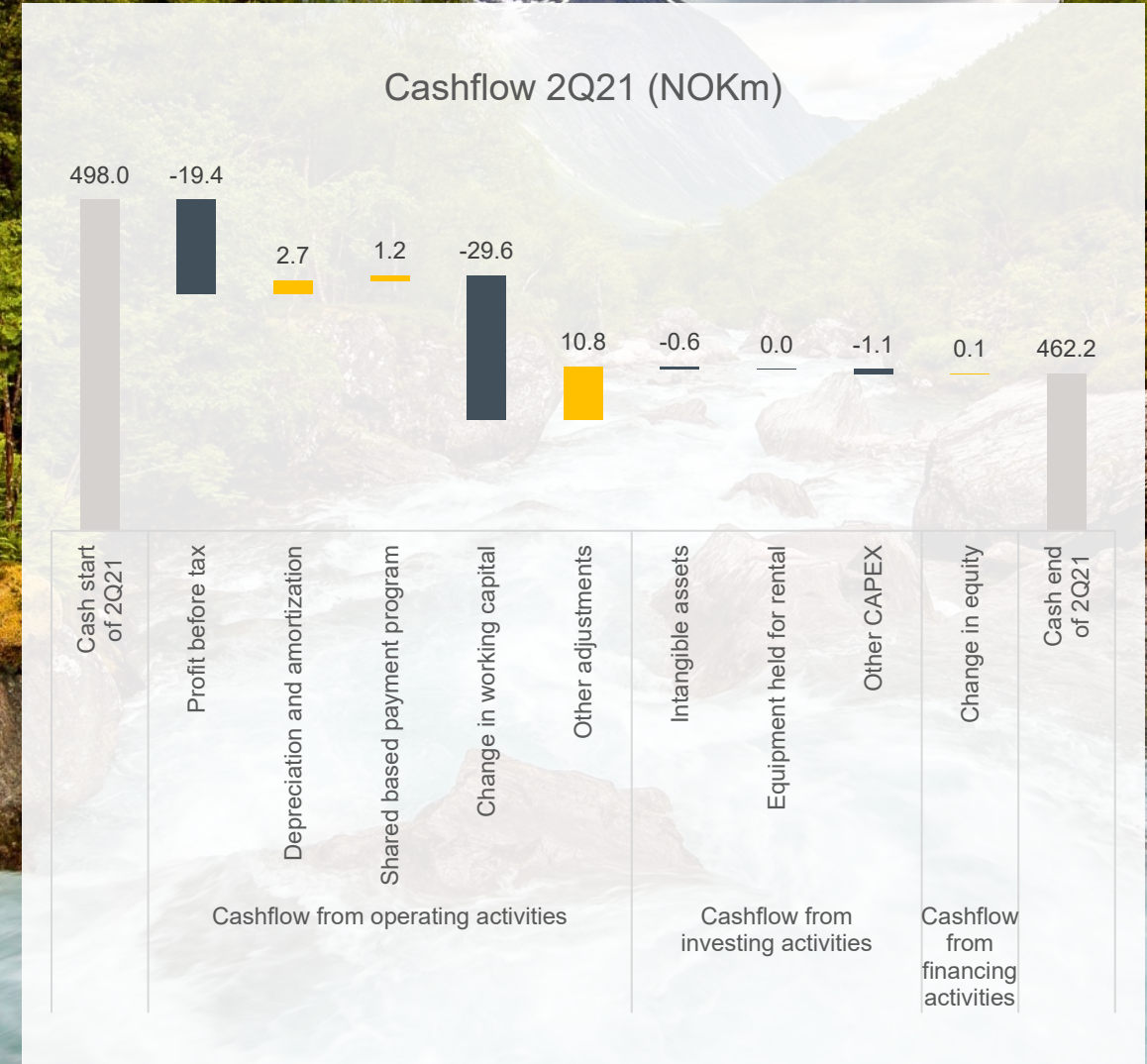
- Negative operating results of **NOK-19.4m**
- Increased working capital
  - Increased inventory due to elevated component prices and securing of supply
  - Accounts receivable increase due to large share of deals in June

## Negative cash flow from investment activities

- Purchase production tooling of office equipment

## Negative cash flow from financing activities

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





# *Summary and Outlook*





# Summary 1H21

- **View Plus** – The worlds' most advanced air quality monitor has started shipping to consumers and businesses. Will drive growth in 2H
- Major roll-outs into **Walmart stores** and **CVS pharmacies**, significantly increasing our footprint in the US market
- Major strategic agreements with global leaders like **Schneider** and **Carrier Corporation** shows our strong position in the market, and will fuel future growth
- Expansion into **Asia Pacific** has started and is already driving growth
- Strong growth in brand awareness in US, Canada, and Europe

# Outlook

- Strong 2Q21 and strong outlook for 3Q21 with midpoint of guiding range indicating 101% YoY growth
- ARR guidance window for 2021 is reduced by NOK 5m as service revenue from Airtight technology is delayed
- EBITDA margin (%) to improve in 2021 vs 2020
- On schedule to reach the **2024 goals!**

<b>Revenue and ARR guidance (NOKm)</b>	<b>3Q21</b>	<b>FY21</b>
<b>Revenue</b>	80 - 90	315 - 345
<b>Annual Recurring Revenue</b>	18 - 23	27 - 35

## 2024 Goal

Revenue of  
**NOK1 000m+**

ARR of  
**NOK200m+**

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

# ***3Q21 Update and Capital Markets Day***

- Welcome to 3Q21 update and Capital Markets Day on October 28<sup>th</sup>
- Will update on results and growth strategy by segment



**AIRTHINGS**

Breathe better. Live better.



# Other updates

- Audhild Andersen Randa has resigned from the Airthings board as she is starting as our COO from August 2<sup>nd</sup>. A new board member will be recruited.
- We have a Board resolution as of July 28<sup>th</sup>, 2021, that Airthings ASA will apply to move from Euronext Growth Oslo to the Oslo Stock Exchange's main list during first half of 2022









Breathe better. Live better.