



AIRTHINGS

3Q20 Presentation

19 November 2020

Geir Førre, Chairman

Øyvind Birkenes, CEO

Erik Lundby, CFO

*Martin McGloin, Product
Manager*

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This presentation was prepared in connection with the 3Q results released on November 19th, 2020. 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***

MISSION

*Airthings is on a mission to ensure people around the world **take control of their air quality** through simple, sustainable and accessible technology solutions - making **radon and air quality solutions** an essential and universal element for every building or home*

Hardware-enabled software company addressing global issues

Challenge: Poor indoor air quality and energy waste

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



Inadequate 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



Humidity



Poor
ventilation



Pollution



Pressure

- ⊕ Leader and thought-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
- ⊕ Open ecosystem and user-friendly dashboards



LIGHT



MOLD RISK



CO₂



OCCUPANCY



TVOC



VIRUS RISK



40% of global energy consumption from buildings

There are energy saving opportunities in all buildings

> 10%
Ventilation control

ENERGY REDUCTION WITH **AIRTHINGS**

More than 10% of energy consumption can be saved by optimizing heating, ventilation and air conditioning

15%
Pressure control

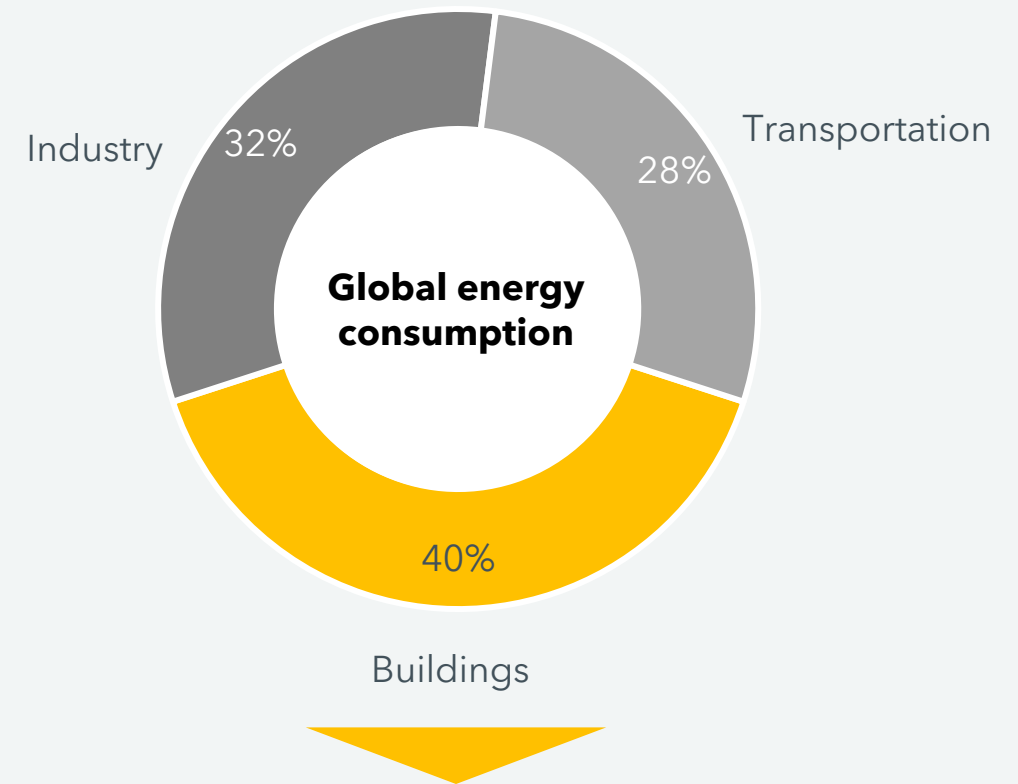
ENERGY REDUCTION WITH **AIRTIGHT**

On average during operating hours, 15% of energy consumption can be saved by aligning indoor and outdoor pressure with Airtight

Airthings enables a reduced CO2 footprint

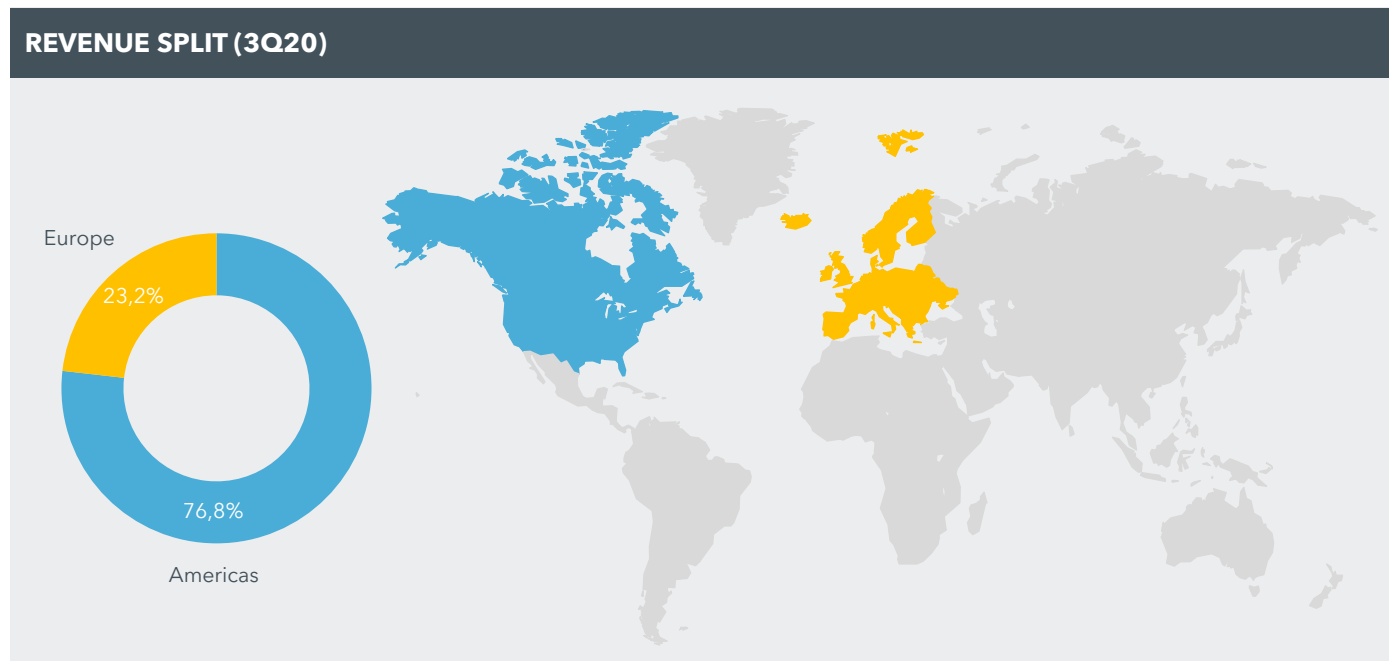
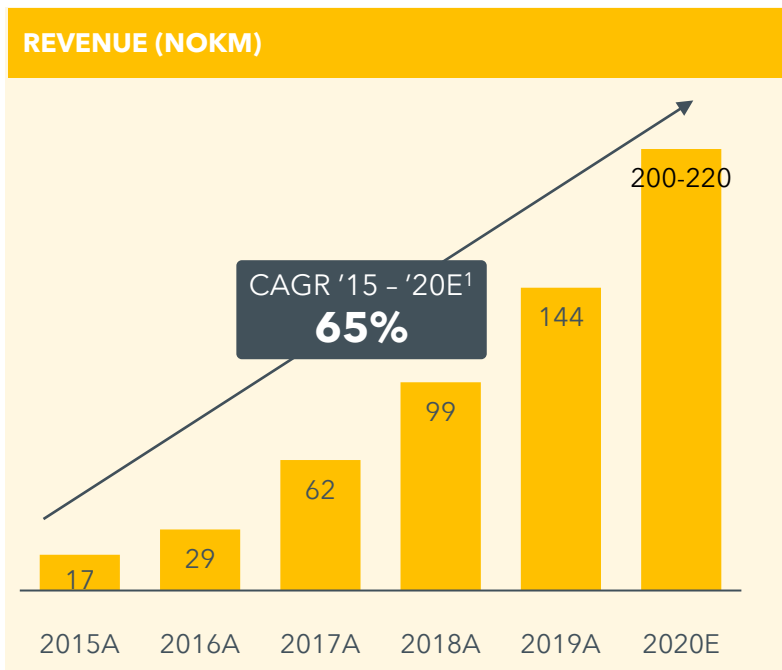


Source: European Commission CORDIS EU research results, International Energy Agency (IEA)



Airthings can save >20% of the total energy consumed by buildings

High-growth business with an international footprint



~100 employees from more than 25 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 «FOR BUSINESS» PARTNERS	AWARENESS PARTNERS



1) Midpoint of estimated revenue range 2020E

Our core value propositions



Improve quality of
living and health

in

homes



Improve
productivity and
overall health

in

offices



Improve academic
performance and
attendance

at

schools



Improve energy
efficiency and area
utilization

in

buildings



Three main business units, also serving as segmentation in our financial reporting



For everyone
with a home

For consumers



For facility management,
system integrators &
HVAC and public sector

For business

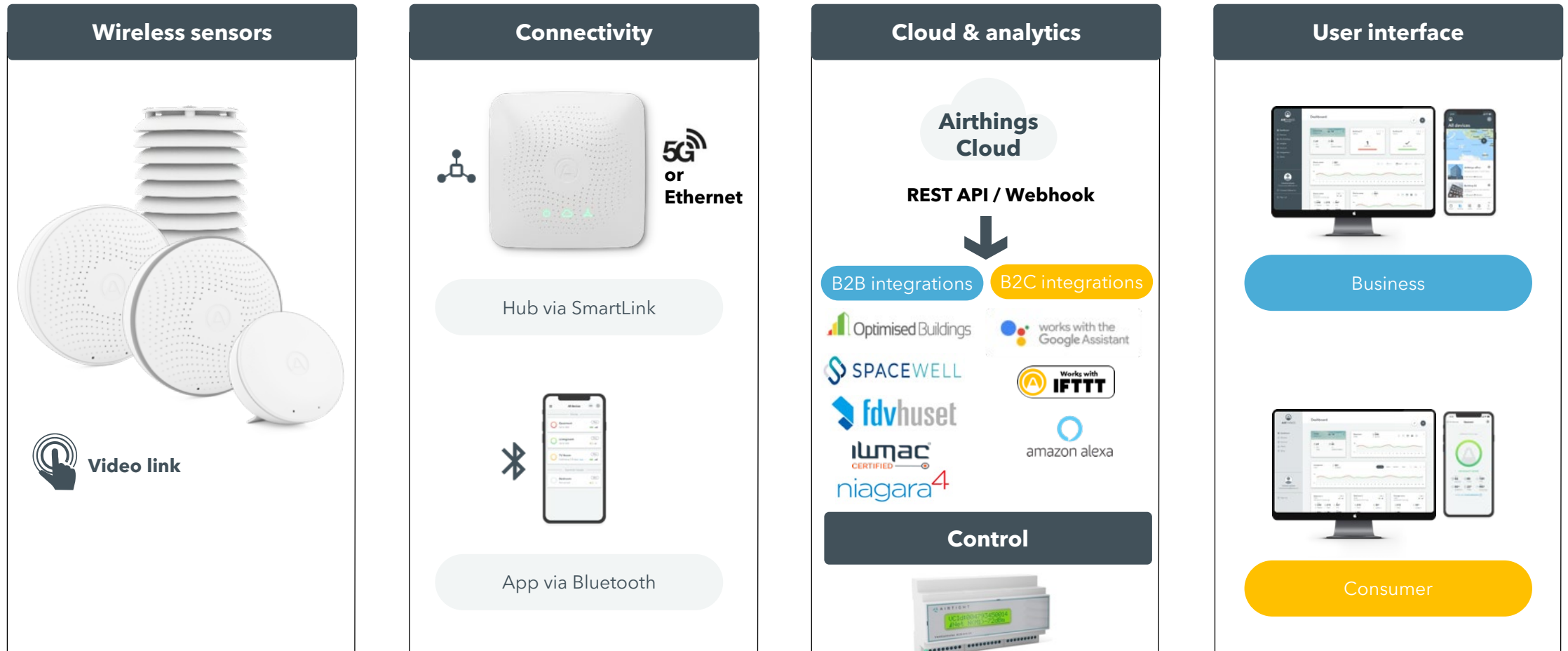


For home inspectors and
radon professionals

For pro



The Airthings system

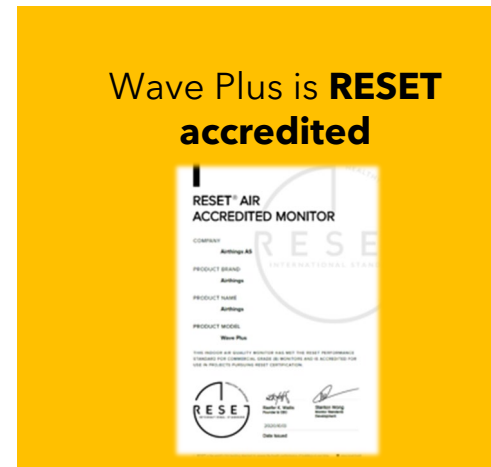


Highlights 3Q20

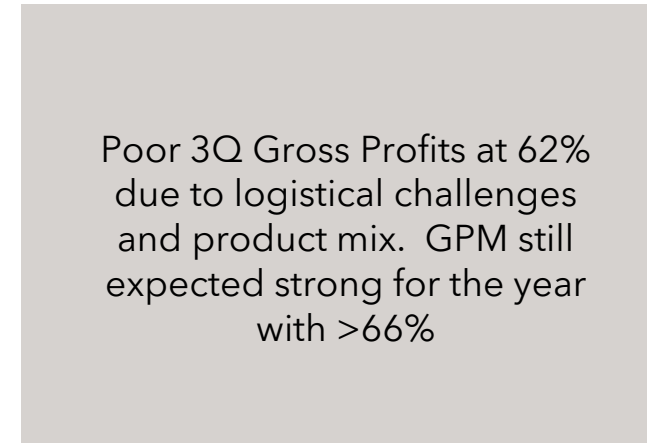


Main events during the third quarter

Quarterly Highlights

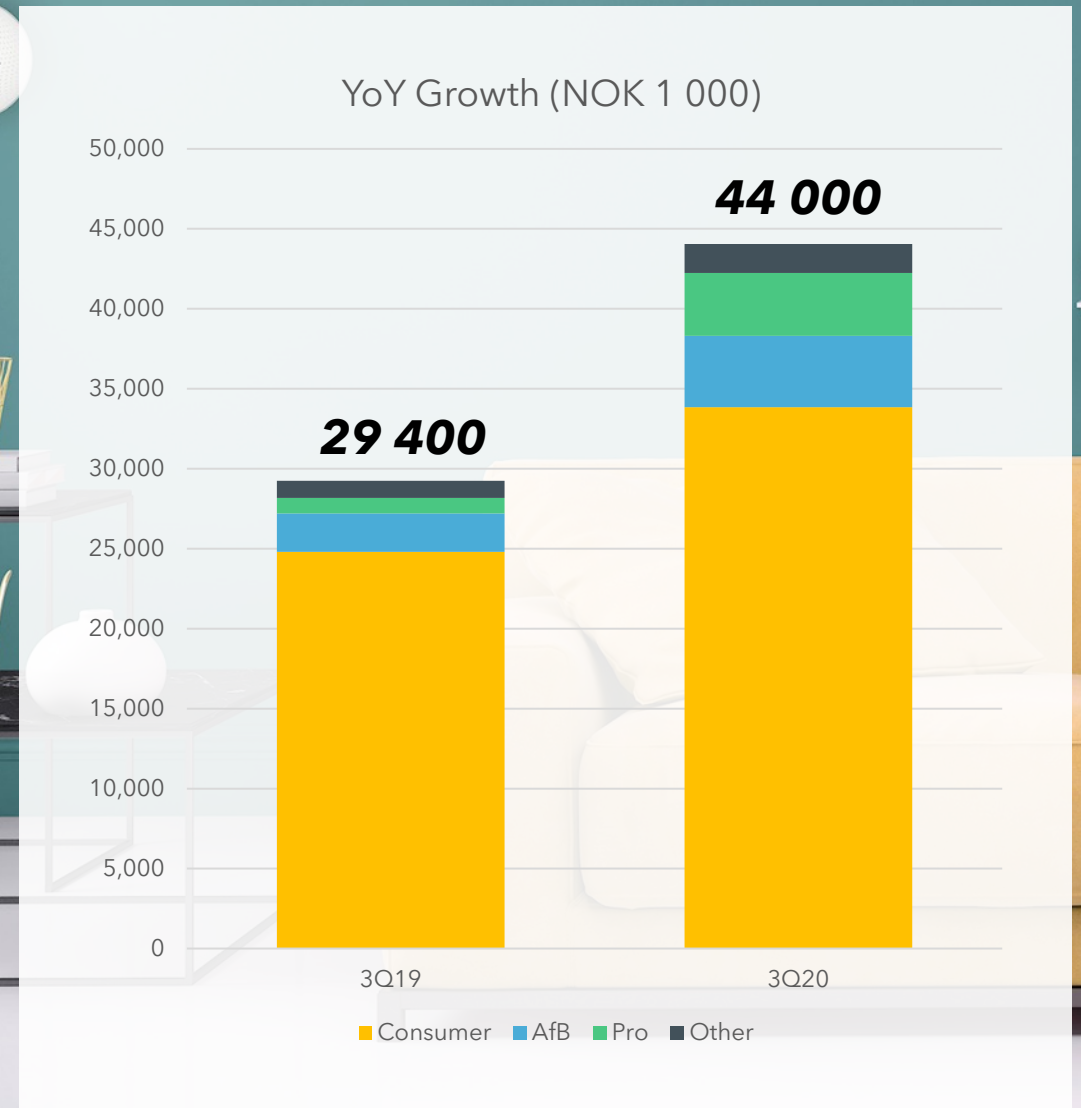


Quarterly Lowlights



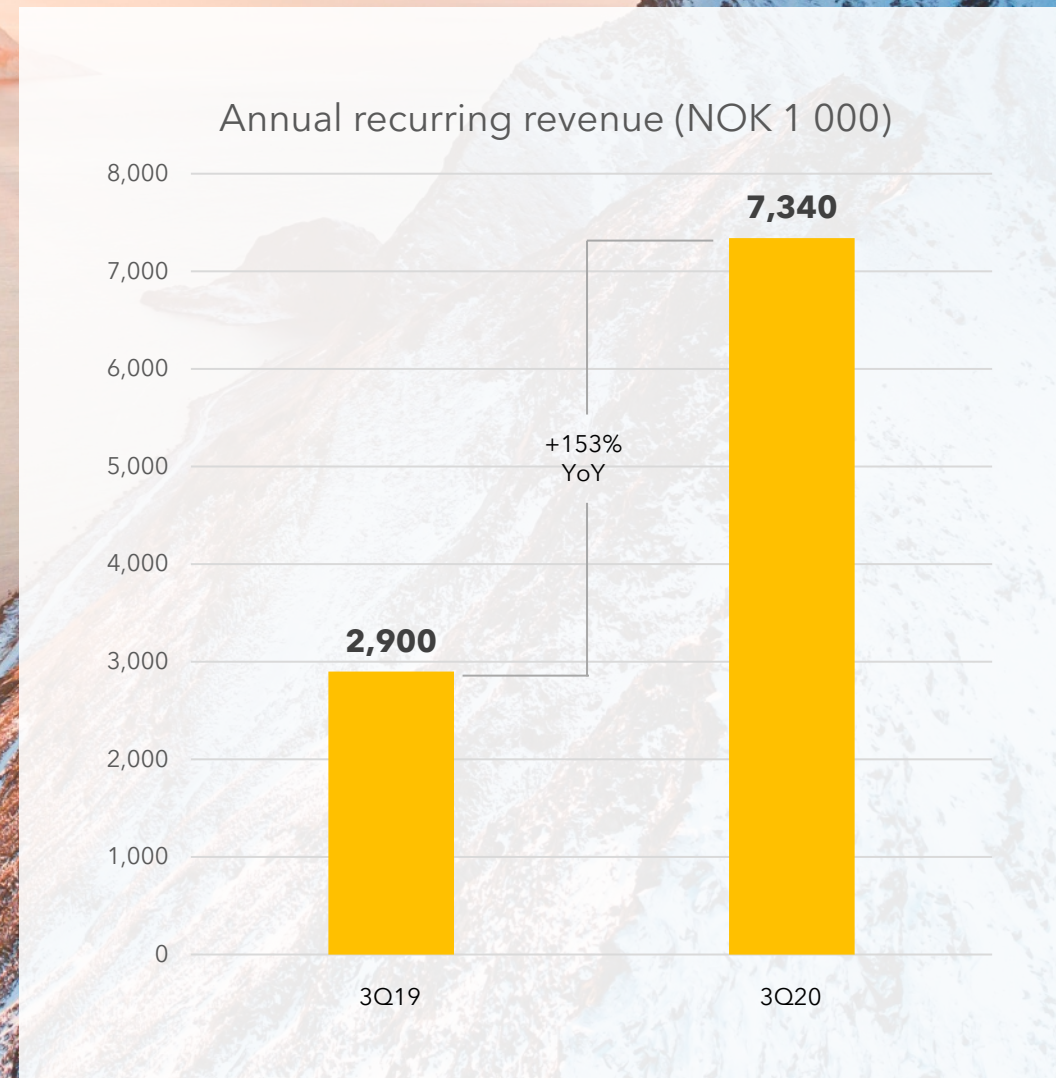
Strong growth in 3Q

- **50% YoY growth** with 3Q20 revenues of NOK44m. Sales revenues of NOK42.3m
- YTD growth of **57%**
- Airthings for Business growing fast with **308% YoY growth** to NOK4m
- **Consumer growth of 36%** to NOK 33.9m
- **PRO growth of 89%** to NOK4.5m
- Still limited effect from **Airtight**
- Annual Recurring Revenues of **NOK7.3m** EoP 3Q



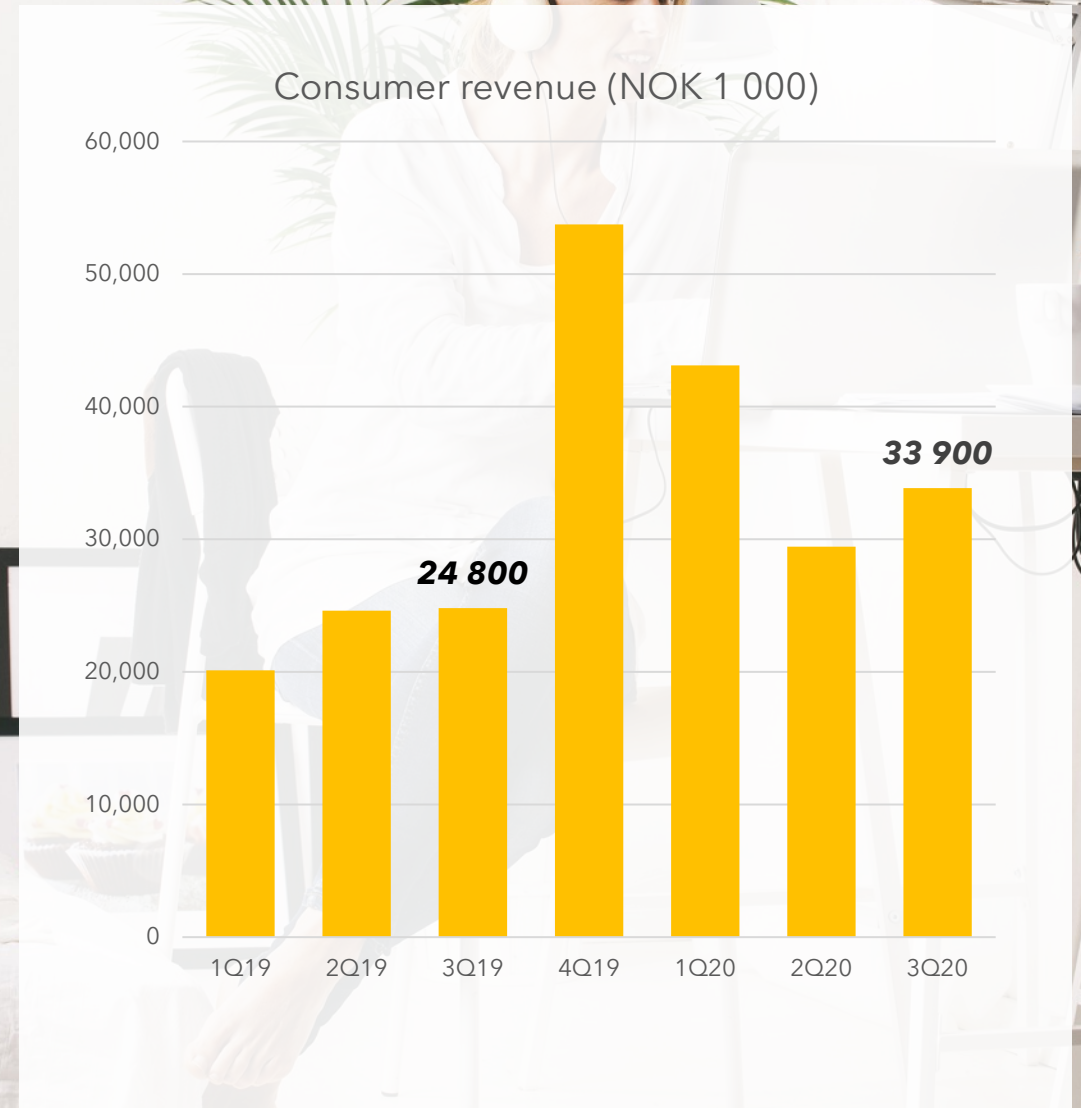
Annual Recurring Revenue (ARR)

- Exponential **growth continues**
- **Strong execution** especially towards
 - Public sector
 - Facility management partners
 - System integrators
- Airtight product to **boost ARR going forward**
- Creates **increasing forward revenue** visibility



Consumer 3Q update

- 3Q Sales revenues of NOK33.9, representing **36% YoY growth** despite some promotional activities and new store roll-outs pushed out from 3Q (COVID-19)
- **Increased awareness** of Air Quality due to wild-fires and COVID
- **Improved Amazon Review scores**, and high sales growth of our smart products
- **>NOK30m order** from Amazon US for 4Q delivery
- **Home Depot roll-out** is already generating weekly re-orders
- **The Mold Risk Indicator** has significantly increased growth rate and reviews of Wave Mini
- **Introduction of House Kit** in 2Q drove higher AUP in 3Q
- **Challenge with competitive pricing** between US retailers is creating market price fluctuations



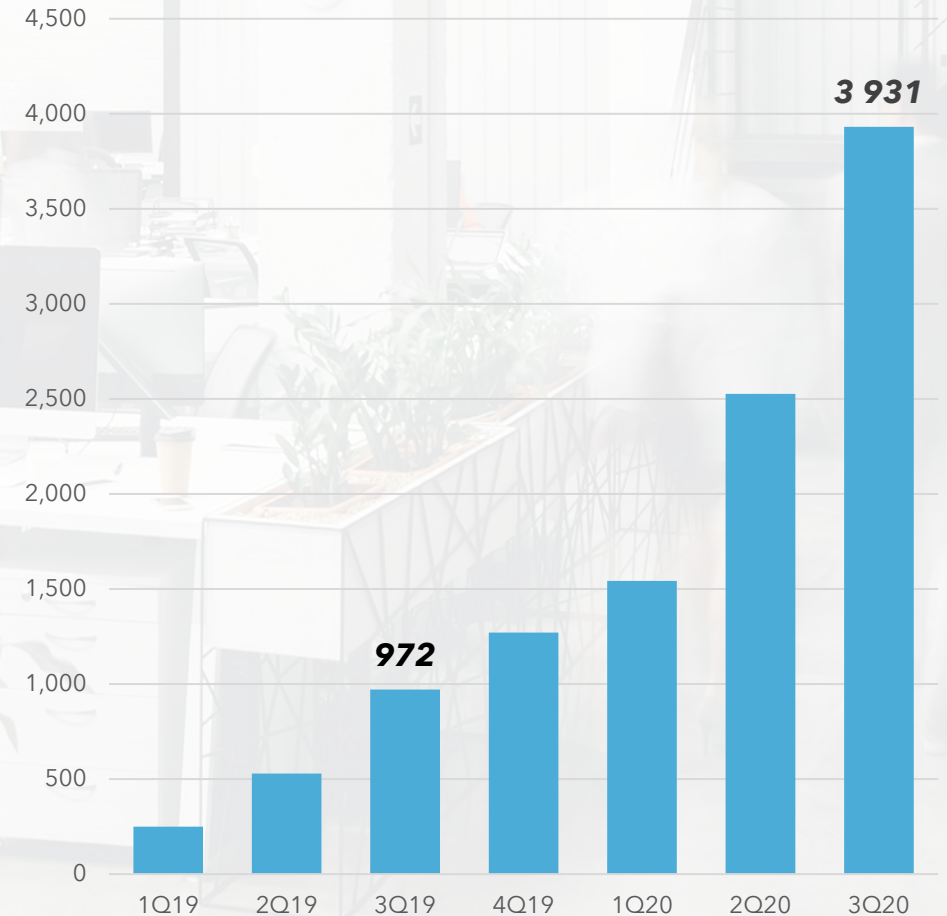
Airthings for Business

3Q update

- Sales revenue of NOK4m, representing **305% YoY growth**
- **Revenue and ARR growth** driven by Facility Management, Public Sector, and System Integrators
- **Airtight acquisition** – integration started
- **Opened Stockholm office** with an experienced sales team from Yanzi Networks
- **Added sales coverage in Atlanta and Boston**, in addition to the US coverage in Chicago and New York
- **Signed global partnership** and reseller agreement with Schneider Electric
- **High attention on air quality due to COVID-19.** Significant increase of inbound leads and new sales.

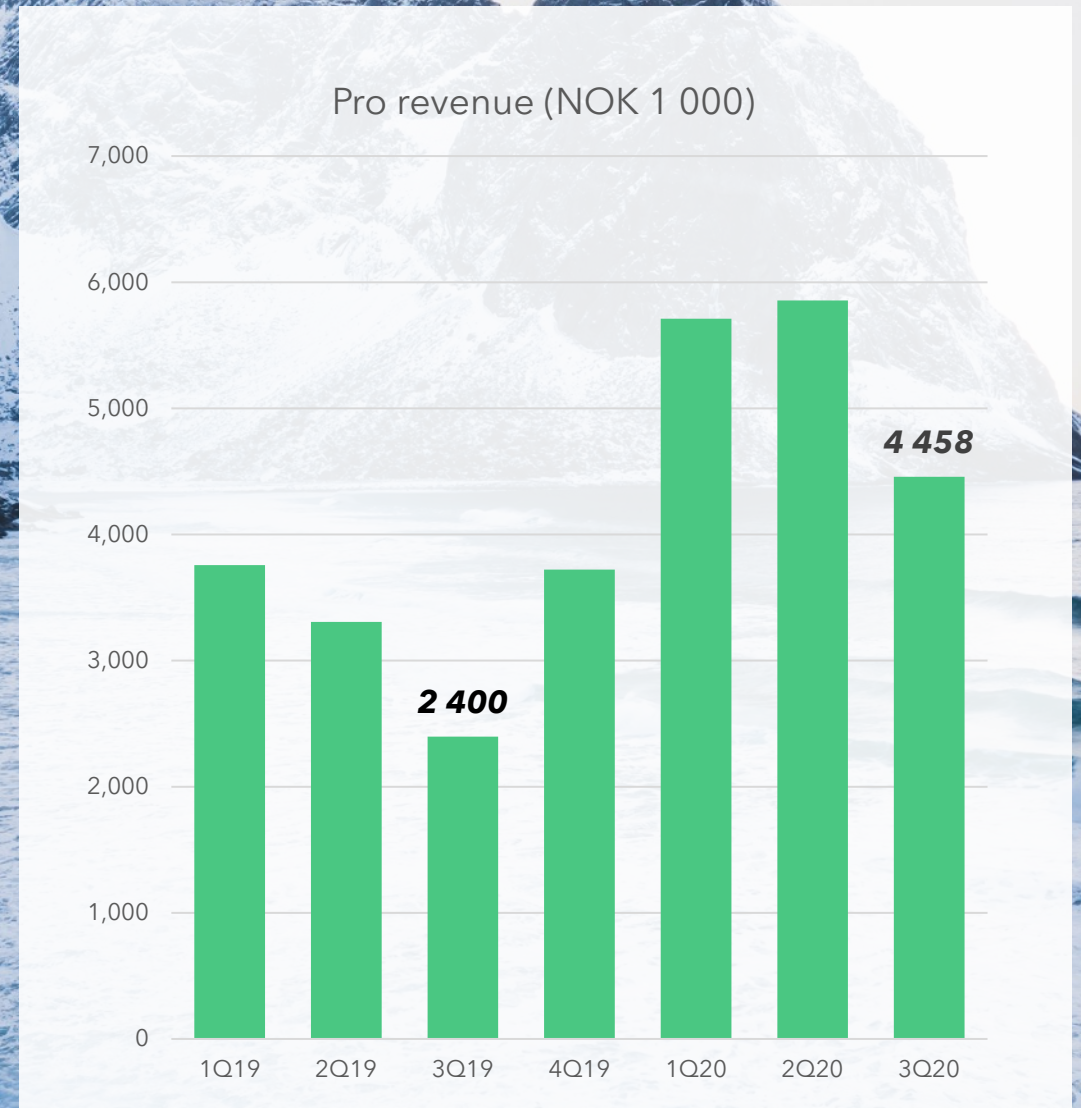
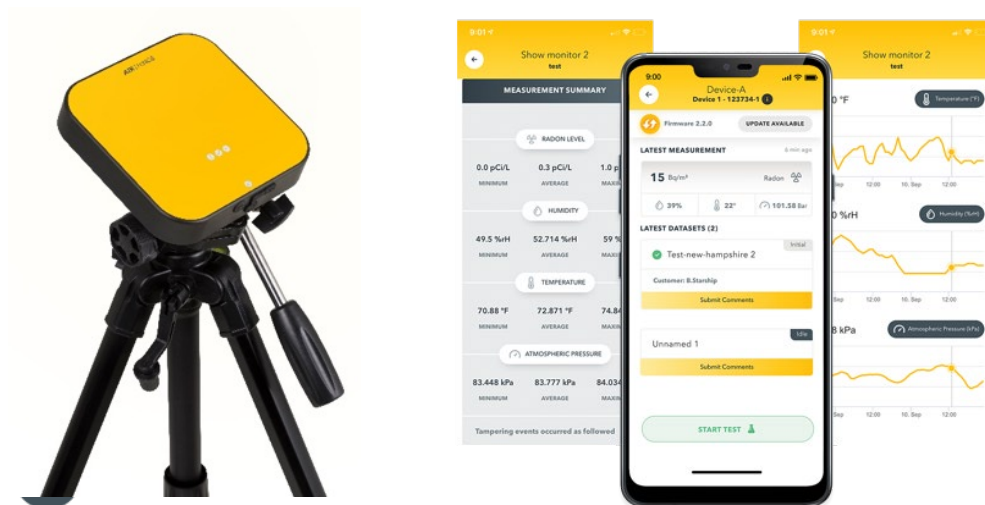


Airthings for business revenue (NOK 1000)



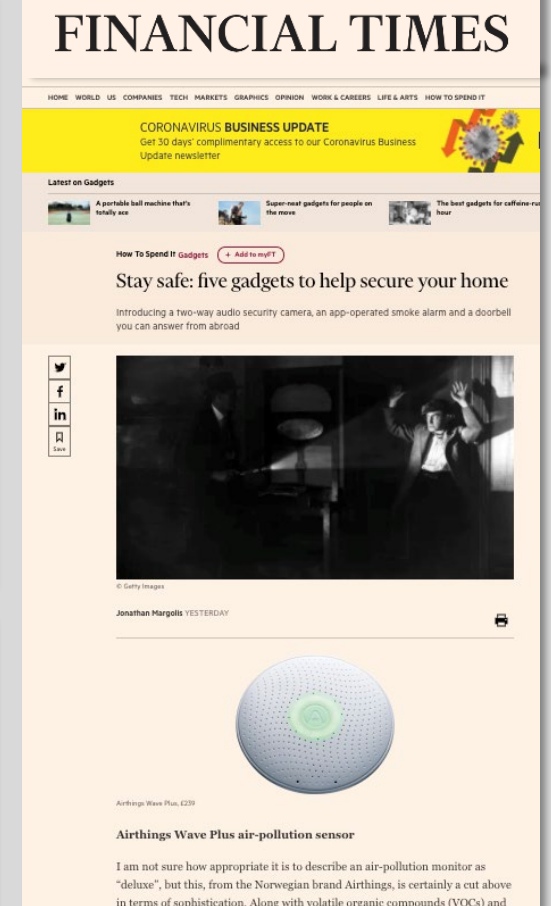
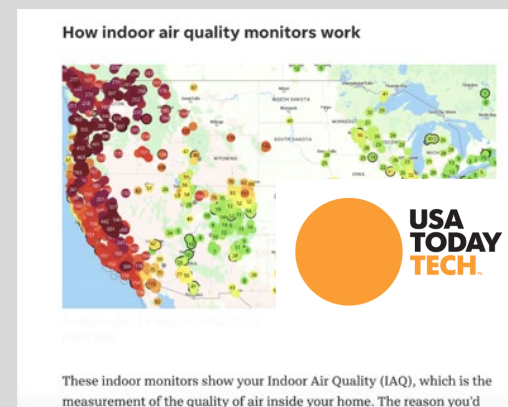
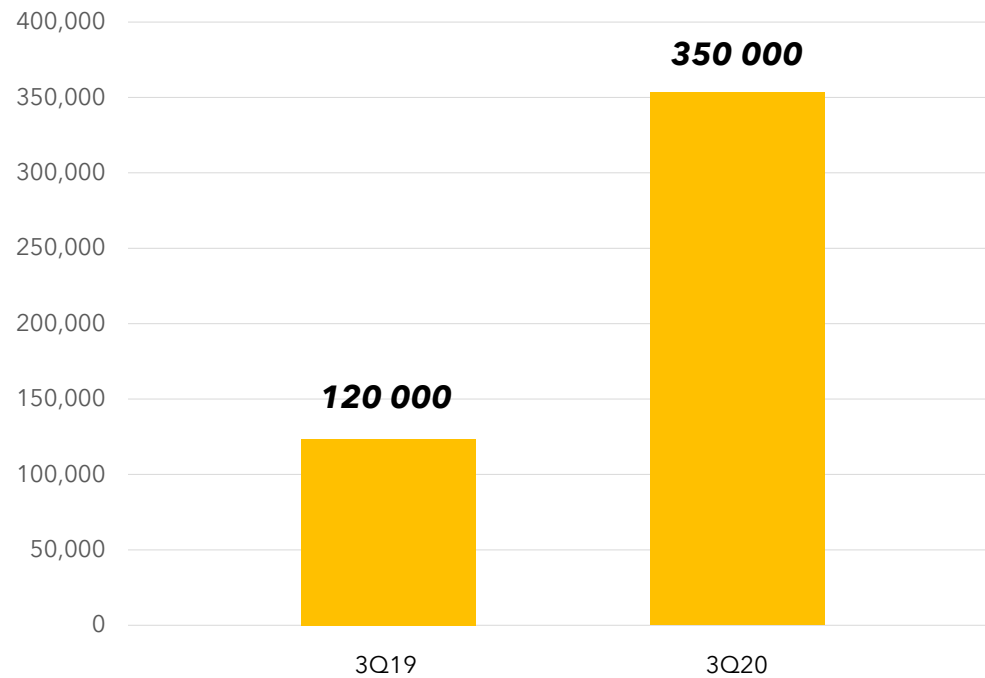
Pro 3Q update

- Sales revenue of NOK4.5m, representing **86% YoY growth**
- **High demand** from Home Inspectors with strong real-estate market in the US
- **Strong backlog** with supply challenges end of 3Q
- **New mobile APP and Web Dashboard** with improved user experience is creating a higher demand



Significant growth in web traffic and press coverage

Unique Web User Sessions (airthings.com)



Financials



3Q Key figures

Revenues up 50% YoY

Gross margin at 64% down 9%-points YoY

- Higher share of AfB product sales with lower margin
- Campaigns in conjunction with HD roll-out
- Amazon deal of the day on Wave Plus

EBIT of -NOK10.7m

- Increased personnel expenses in accordance with expansion plan
 - Took on entire Yanzi sales-team
 - Acquired Airtight and brought on entire team
- Performance marketing costs
- Campaign costs



	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Consolidated income statement (NOK 1 000)	3Q20	3Q19	YTD 2020	YTD 2019	2019
Sales	42 186	28 176	130 810	80 743	139 472
Other revenues	1 805	1 068	2 065	3 472	4 809
Total revenue	43 991	29 243	132 876	84 216	144 281
Cost of sales	16 006	8 103	44 017	23 738	39 202
Gross profit	27 985	21 140	88 858	60 478	105 079
Payroll expenses	17 746	10 806	57 591	34 182	47 979
Other operating expenses	20 216	19 425	62 394	45 492	68 805
Depreciation and amortization	694	276	1 742	802	694
Operating profit / EBIT	-10 671	-9 368	-32 869	-19 999	-12 398
Financial income	5 315	-3 531	13 835	2 340	4 374
Financial expenses	5 310	-3 883	10 836	2 557	5 161
Financial income / expenses - net	5	353	2 999	-216	-787
Profit (loss) before tax	-10 666	-9 015	-29 870	-20 216	-13 186
Income tax	-9	-3	-13	-21	3 992
Net profit (loss)	-10 676	-9 018	-29 883	-20 236	-9 194
Pre-split earnings per share (NOK)*					
Basic earnings per share	-16.52	-15.88	-48.57	-37.05	-24.13
Diluted earnings per share	-16.52	-15.88	-48.57	-37.05	-24.13
Post-split earnings per share (NOK)**					
Basic earnings per share	-0.08	-0.08	-0.24	-0.19	-0.08
Diluted earnings per share	-0.08	-0.08	-0.24	-0.19	-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

- According to plan
- Negative operating profits
- Increased accounts receivables

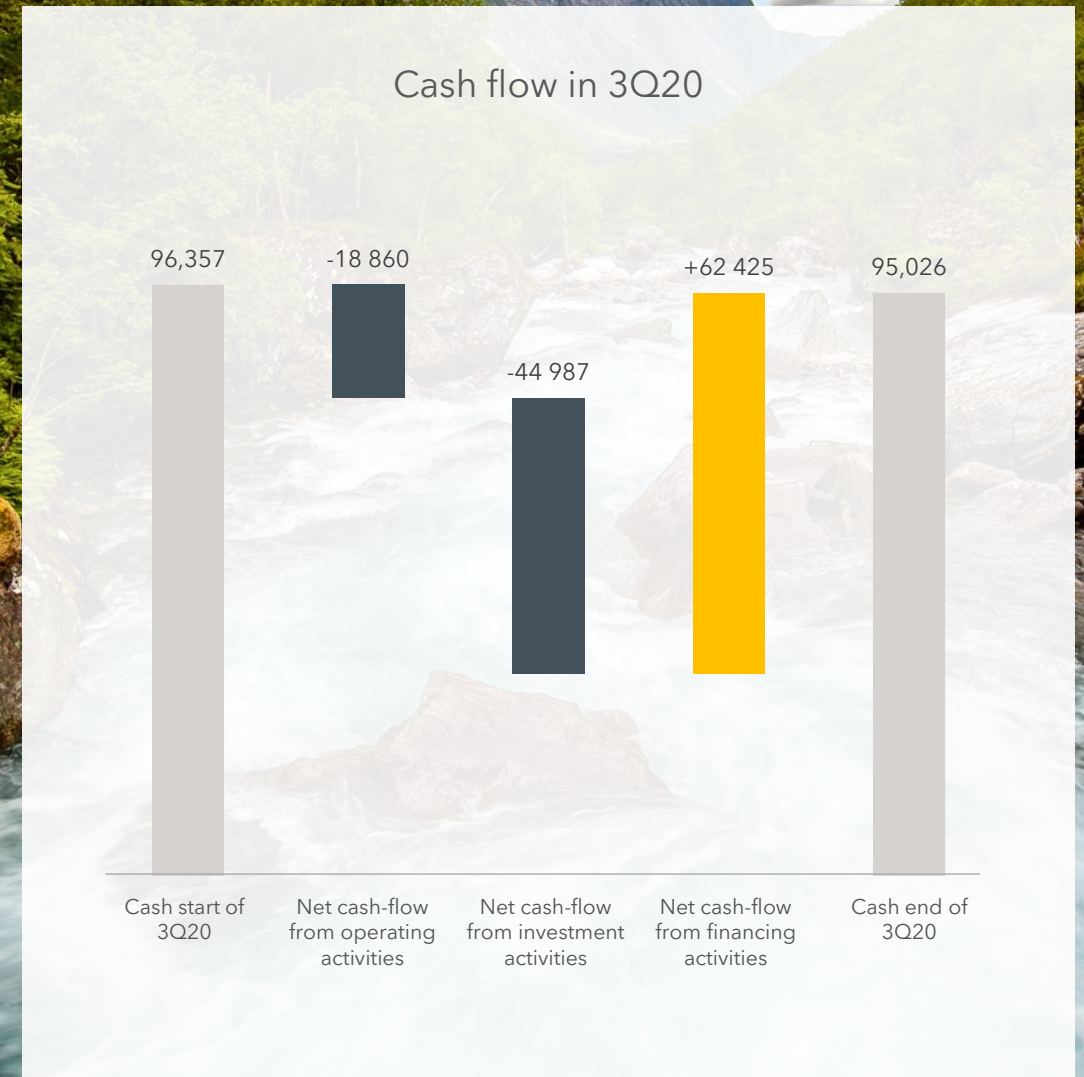
Negative cash from investment activities

- Airtight acquisition

Positive cash from financing activities

- Capital raise to acquire Airtight
- Instalments on long-term debt deferred due to Covid-19

NOK500m private placement in conjunction with IPO in 4Q



Balance sheet

- Change in non-current assets reflects **acquisition of Airtight**
- **Change in current assets due to capital raise** in conjunction with acquisition and IPO
 - Change in cash and cash equivalents reflects capital raise in 2Q and 3Q
 - Raised additional NOK500m in private placement in conjunction with IPO in 4Q
- 27% of long-term interest-bearing debt **expected paid down next 12 months**
 - Instalments halted on growth loan until October 2020.



	Unaudited	Audited
Consolidated balance sheet (NOK 1 000)	30.09.2020	31.12.2019
Assets		
Research & development	4 572	
Licenses	4 689	3 672
Deferred tax asset	4 477	4 477
Goodwill	39 029	
Tangible assets	4 061	2 312
Long-term receivables	790	337
Total non-current assets	57 616	10 798
Inventory	30 478	29 029
Accounts receivables	41 085	40 737
Other short term receivables	19 604	14 169
Cash and cash equivalents	95 026	49 077
Total current assets	186 194	133 012
Total assets	243 810	143 809
Equity and liabilities		
Total paid-up equity	221 204	97 820
Other equity	-28 340	-314
Total equity	192 863	97 507
Interest bearing long-term debt	12 373	17 889
Other provisions	547	
Total non-current liabilities	12 920	17 889
Accounts payable	18 193	12 149
Tax payable	113	39
Public duties payable	2 578	3 416
Interest bearing short-term debt	4 683	
Other short-term debt	12 460	12 810
Total current liabilities	32 345	28 414
Total equity and liabilities	243 810	143 809

Outlook



Growth initiatives



For everyone
with a home

For consumers

Improved and expanded online presence, including Amazon

Entering new markets

Localized air quality and radon awareness campaigns

Expanding retail presence

New products and features based on feedback and demand



For facility management,
system integrators &
HVAC and public sector

For business

Adding bandwidth with new sales offices

Expanding Airtight into Europe and US

Focusing on enterprise customers and global distribution partners

Virus Risk Indicator campaign

New products and features



For home inspectors and
radon professionals

For pro

Airthings calibration lab opened in Massachusetts

Moving all US annual calibration to Airthings internal lab

New certifications to increase total available Home Inspector market

Launching Airthings Pro Academy

Ongoing campaigns

Virus Risk Indicator

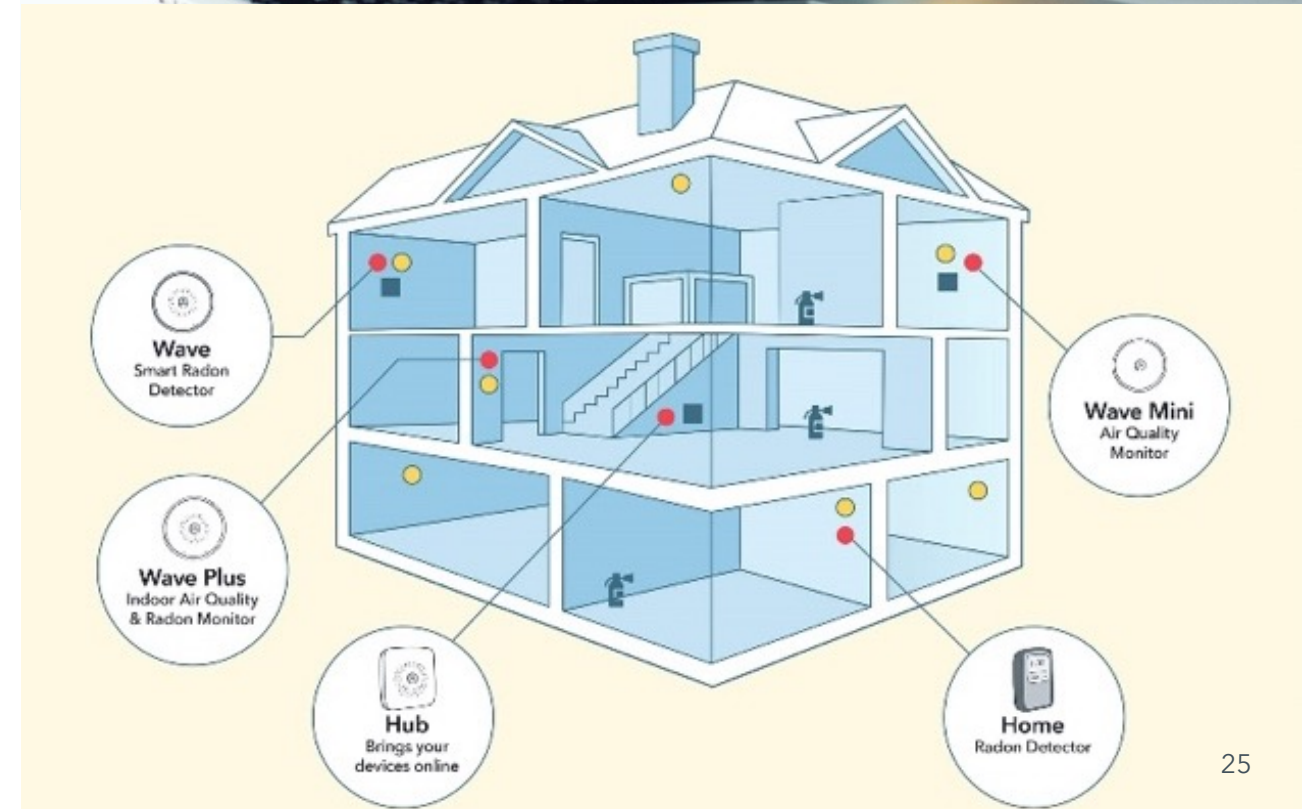
- Launched November 18th
- Relevant for Schools, offices, and public buildings around the world

Radon season campaign

- Canada and Norway in November, US in January
- Ads, PR, digital campaigns, radio ads

Fire & Safety month

- Campaigns with retailers in the US



Virus Risk Indicator

For buildings where people thrive, but viruses don't.

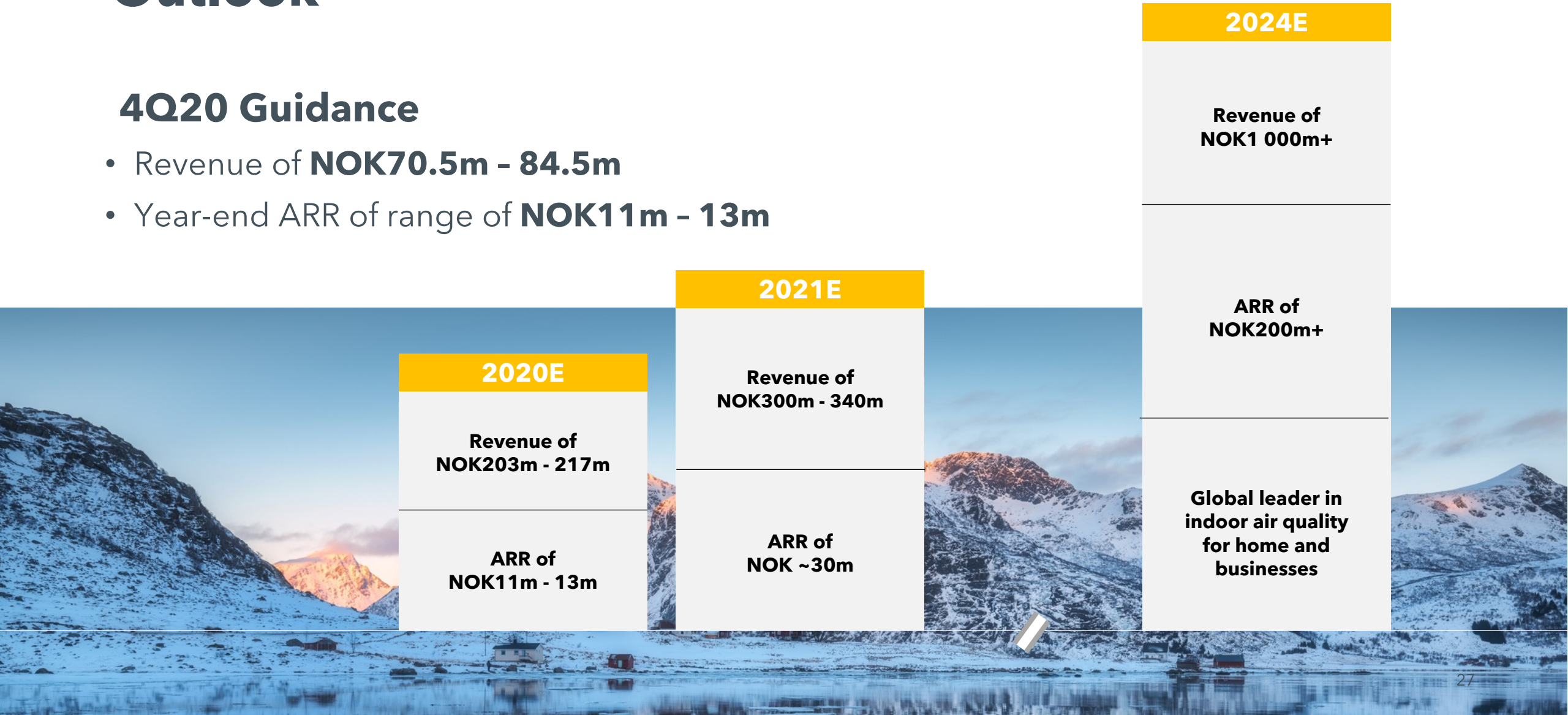
- **Monitor, manage and reduce the transmission risk of airborne virus** within an office, school or public building.
- Internally developed algorithm **uses the CO₂, temperature and humidity sensors** in the Wave Plus for Business to calculate an hourly risk score and most effective solutions.
- Only available as part of an **Airthings for Business** subscription.



Outlook

4Q20 Guidance

- Revenue of **NOK70.5m - 84.5m**
- Year-end ARR of range of **NOK11m - 13m**





Breathe better. Live better.