PROSPECTUS

AIRTHINGS ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of the Company's Shares on Oslo Børs

This Prospectus (the "**Prospectus**") has been prepared by Airthings ASA (the "**Company**" or "**Airthings**"), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**"), solely for use in connection with the listing (the "**Listing**") of the Company's 172,849,037 outstanding shares, each with a par value of NOK (as defined below) 0.01 (the **"Shares"**) on Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**").

The Shares have been trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs since 30 October 2020 under the ticker code "AIRX" with ISIN NO 0010895568. On 23 May 2022, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 22 June 2022. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 24 June 2022, under the ticker code "AIRX".

The Shares are registered in the Norwegian Central Depository (Nw.: *Verdipapirsentralen i Norge*") (the "**VPS**") in book-entry form. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 13 *"Transfer restrictions"*.

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES, BENEFICIAL INTERESTS OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 *"Risk Factors"* when considering an investment in the Company.

The date of this Prospectus is 23 June 2022

IMPORTANT NOTICE

This Prospectus has been prepared by Company in connection with the Listing of the Shares on Oslo Børs and in order to provide information about the Group and its business.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: "*Finanstilsynet*") (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing on Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of the affiliates, representatives, advisors of the foregoing.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 13 *"Transfer restrictions"*.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

No Shares or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company nor any of its representatives or advisers, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 *"General Information"*. Investing in the Shares involves certain risks. See section 2 *"Risk Factors"*. For definitions of certain other terms used throughout this Prospectus, see Section 17 *"Definitions and glossary"*.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior executive management team are not residents of the United States of America (the "**U.S.**" or "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

1 SUMMARY

INTRODUCTION

Warning................................ This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Securities............................. The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO 0010895568.

Issuer................................... The Company's registration number in the Norwegian Register of Business Enterprises is 993 092 045 and its Legal Entity Identifier (LEI) is 549300XG11DDY7M1KX46. The Company's registered office is located at Wergelandsveien 7, 0167 Oslo, Norway. The Company's website can be found at www.airthings.com and its telephone number is +47 480 30 383.

Competent authority........... The Financial Supervisory Authority of Norway (Nw.: "*Finanstilsynet*"), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number (+47) 22 93 98 00 has reviewed and, on 23 June 2022, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information......... The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 1 August 2008 as a private limited liability company and transformed to a public limited liability company on 22 October 2020, its registration number in the Norwegian Register of Business Enterprises is 993 092 045 and its Legal Entity Identifier (LEI) is 549300XG11DDY7M1KX46.

Principal activities.............. Airthings is a hardware-enabled software company delivering innovative air quality and energy management solutions. The Company develops, produces and sells air quality and energy management solutions to three customer segments: consumers, businesses and radon professional.

According to section 3 of the Company's articles of association, the Company's objective is to develop product and services related to air quality and energy optimization of buildings, as well as associated international marketing and sales of these, investment in other companies or development of other businesses, and everything related to the aforementioned.

Major shareholders.............. Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 21 June 2022.

Table 1 – Major shareholders			
#	**Shareholders**	**Number of Shares**	**Percent**
1	Firda AS	28,961,690	16.76%

Key managing directors...... The Company's executive management consists of 8 individuals. The names of the members of the management and their respective positions are presented in the below table.

Table 2 – Overview of the executive management	
Name	**Current position within the Company**
Øyvind Birkenes	Chief Executive Officer (CEO)
Erlend Bolle	Chief Product Officer (CPO)
Lauren Pedersen	Chief Marketing Officer (CMO)
Pål Berntsen	SVP, Airthings for Business
Torje Carlsson	SVP, Consumer Products
Audhild Andersen Randa	Chief Operating Officer (COO)
Anita Øverbekk	Director of HR[1]
Jeremy Michael Gerst	Chief Financial Officer (CFO)

[1] Anita Øverbekk is not employed by Airthings, but hired as a contract worker by Airthings from HR Management AS.

Independant auditor................. The Company's independent auditor is BDO AS, with company registration number 993 606 650 and registered business address at Munkedamsveien 45A, 0250 Oslo, Norway.

What is the key financial information regarding the issuer?

In 2022, the Company decided to convert its financial reporting from Norwegian Generally Accepted Accounting Principles ("**NGAAP**") to International Financial Reporting Standards, as adopted by the EU ("**IFRS**"). As such, the Company has prepared audited annual consolidated financial statements for the financial years 31 December 2021 in accordance with IFRS, with unaudited comparative figures for the financial year ended 31 December 2020 (the "**IFRS Financial Statements**"). Further, the Company has prepared audited annual consolidated financial statements for the financial years ended 31 December 2020 and 2019 in accordance with NGAAP (the "**NGAAP Financial Statements**", and together with the IFRS Financial Statements, the "**Annual Financial Statements**"). As the NGAAP Financial Statements are presented in NOK, the Company has made certain recalculations and restatements to the NGAAP Financial Statements. Hence, the 2020 and 2019 NGAAP figures presented in this Prospectus are restated based on the Group's previously reported NGAAP Financial Statements for 2020 (the "**Restated NGAAP Financial Information**"). The unaudited Restated NGAAP Financial Information is attached to this Prospectus as Appendix E. References are made to Sections 4.2.2 and 9.1 regarding recalculation to USD and certain restatements.

Moreover, the Company has prepared unaudited consolidated financial statements for the three-month period ended 31 March 2022 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**").

Table 3 – Key financials - Income statement	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020** *NGAAP Restated Unaudited*	**2019** *NGAAP Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Total revenue and other operating income	33,699	21,016	22,941	16,389	9,062	6,407
Operating profit or loss before depreciation and amortization (EBITDA)	(8,035)	(4,786)	(5,239)	(1,797)	(3,434)	(2,645)
Operating profit or loss (EBIT)	(9,371)	(5,522)	(5,748)	(1,876)	(3,809)	(2,935)
Net financial items	55	(653)	(504)	(89)	(288)	(170)
Profit (loss) before tax	(9,315)	(6,175)	(6,252)	(1,966)	(4,097)	(3,105)
Profit (loss) for the year	(7,261)	(4,131)	(4,235)	(1,512)	(3,131)	(3,299)
Profit (loss) for the year attributable to:						
Equity holders of the parent company	(7,261)	(4,131)	(4,235)	(1,512)	(3,131)	(3,299)

The table below sets out key financial information extracted from the Company's consolidated balance sheet as of 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS for the financial years ended 31 December 2021 and 2020 and NGAAP for the financial years ended 31 December 2020 and 2019) and as of 31 March 2022 (prepared in accordance with IAS 34).

Table 4 – Key financials – Balance sheet	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020** *NGAAP Restated Unaudited*	**2019** *NGAAP Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Total non-current assets	16,339	14,298	10,234	1,230	17,377	13,765
Total current assets	67,342	76,678	76,678	15,154	62,879	71,407
Total assets	83,680	90,976	86,912	16,383	80,256	85,172
Total equity	67,842	76,648	77,367	11,109	65,465	73,593
Total non-current liabilities	4,892	5,028	1,785	2,037	4,317	4,663
Total current liabilities	10,946	9,300	7,761	3,236	10,473	6,916
Total liabilities	15,838	14,327	9,545	5,274	14,791	11,579
Total equity and liabilities	83,680	90,976	86,912	16,383	80,256	85,172

The table below sets out key financial information extracted from the Company's consolidated statement of cash flow for the years ended 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS for the financial years ended 31 December 2021 and 2020 and NGAAP for the financial years ended 31 December 2020 and 2019) and as of 31 March 2022 (prepared in accordance with IAS 34).

Table 5 – Key financials – Cash Flow	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020** *NGAAP Restated Unaudited*	**2019** *NGAAP Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Profit (loss) before tax	(9,315)	(6,175)	(6,252)	(1,966)	(4,097)	(3,105)
Net cash flows from operating activities	(15,879)	(4,412)	(4,893)	(3,810)	(6,400)	(2,533)
Net cash flow from investing activities	(968)	(1,914)	(1,914)	(503)	(620)	(210)
Net cash flows from financing activities	(2,560)	64,971	65,422	8,558	(126)	(2,023)
Net increase/ (decrease) in cash and cash equivalents	(19,407)	58,644	58,614	4,245	(7,146)	(4,766)
Cash and cash equivalents at 31 December	42,174	62,943	62,943	5,589	35,607	58,413

What are the key risks that are specific to the issuer?

Material risk factors…………

- Risks related to competition
- Risks related to suppliers, partners and other third parties
- The Group is dependent on key personnel
- Failure in the Group's information technology systems may have an adverse impact on its operations

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN……….	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 0010895568.
Currency, par value and number of securities…………	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 1,728,490.37 divided on 172,849,037 Shares, each with a nominal value of NOK 0.01.
Rights attached to the securities…………………………	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions…………	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy…………………………………	The Company has not established any dividend policy to date, but will over time strive to implement a dividend policy favorable to the shareholders.

Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs ASA under the ticker code "AIRX" with ISIN NO 0010895568. On 23 May 2022, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 22 June 2022. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on 24 June 2022, under the ticker code "AIRX".

What are the key risks that are specific to the securities?

Material risk factors…………	• Norwegian law could limit shareholders' ability to bring an action against the Company. • Investors could be unable to exercise their voting rights for Shares registered in a nominee account. • Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other investors.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Admission to trading…………	On 23 May 2022, the Company applied for admission to trading and listing of its Shares on Oslo Børs. Oslo Børs approved the listing application on 22 June 2022. The Company expects commencement of trading in the Shares on Oslo Børs on or about 24 June 2022.

Why is this prospectus being produced?

Reasons for the Listing……	The main reason for the Listing is to facilitate greater liquidity in the Shares attracting new prospective shareholders in order to build a more diversified shareholder base. The Company believes it will have an enhanced profile with investors, business partners and customers through the Listing. In addition, the Company will have enhanced access to the capital markets for financing of potential growth opportunities in the future.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries, the securities and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks related to the business of the Group and the industry in which it operates

2.1.1 *Risks related to competition*

The Group operates in a highly competitive and rapidly changing global market place, as described in Section 7.2 (*Principal markets*). The Group's success depends on numerous factors, including its ability to successfully market and sell its products and services to consumers and businesses, its ability to develop and introduce new products and services to meet customer demand and its ability to identify and develop market opportunities. The market in which the Group operates may be exposed to rapid technological changes. For example, the increased awareness relating to indoor air quality ("**IAQ**") as further described in Section 10.2.7 (*COVID-19*) may lead to new players and competitors entering the market and they could introduce products and services that are similar to those offered by the Group. There are various products by competitors offering air quality monitoring and management. Airthings' product offering is mainly specialized on radon. Should competitors successfully develop a more complete product offering, i.e. comprising several elements of air quality monitoring and management, the Group could be unable to compete successfully. Should the Group be unable to compete successfully, the Group could lose market share and customers to competitors, which could adversely affect the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.2 *Risks related to suppliers, partners and other third parties*

The Group is dependent on partners, suppliers, and other third parties to supply certain products and services in order to successfully conduct its operations. If the supply of such products and services is delayed, not given priority or does not meet the required quality, this could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

Further, there can be no assurance that the Group will be able to enter into or maintain satisfactory agreements or relationships with third party providers in the future, or be able to maintain its arrangements with its current or new suppliers and distributors on same or other commercially reasonable terms in the future, or at all, which in each case could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

The Group is to a certain extent dependent upon background law and product liability regulations for determining its rights and obligations in relation to suppliers and customers, and has not and cannot be expected to be, given also the nature of its business, able to in all contracts be able to secure appropriate liability limitations. If liability was to be imposed, this could have a material adverse effect on the Group's results, financial condition, cash flows and prospects if such claims are not covered by the Group's insurances.

2.1.3 *The Group is dependent on key personnel*

The Group's success depends on the services of highly qualified personnel and management, as the Group is continuously dependent on such persons for the successful implementation of its products and services. Loss of key personnel (including, inter alia, the Company's management team) could therefore have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

Similarly, the Group's future development is dependent on its ability to attract, retain and develop skilled personnel and to develop the level of expertise throughout the Group's organization. Should the Group be unable to attract and retain skilled personnel, this could therefore have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

2.1.4 *Failure in the Group's information technology systems may have an adverse impact on its operations*

The Group, as many other businesses, relies on IT systems and is exposed to the risk of failure or inadequacy in these systems, related processes and/or interfaces. The Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business of the Group. Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Group's ability to effectively operate its business and increase its expenses and harm its reputation. These risks may in turn have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.5 *Risks related to the outbreak of pandemics*

The outbreak of the coronavirus ("**COVID-19**") or other pandemics may have a material adverse effect on the Group. COVID-19 has led to a pressed semiconductor market which has resulted in increased component prices and delivery delays as production capacity has been held back by component shortage. So far, the Group has seen limited business impact related to the COVID-19 pandemic as the consumer demand for its products has in some cases increased due to elevated air quality awareness. In other instances, COVID-19 has led to a pressed semi-conductor marked which has resulted in increased component prices and delivery delays, as production capacity has been held back by component shortage. The Group continues to monitor the situation carefully to ensure appropriate measures are taken as the situation continues to unfold. Also, COVID-19 has led to slowed retail store roll-out and limited access to buildings for the business segment. COVID-19 may affect the overall performance of the Group, including the Group's ability to develop its products and services and implement its business plan, and may result in delays, additional costs and liabilities, which in turn could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

2.1.6 *Risks related to acquisitions*

The Company may consider making strategic acquisitions to support growth and profitability. For example, the Company recently acquired its subsidiary Airtight AS. For more information, please see Section 10.3 ("*Recent developments and trends*) below. Successful growth through acquisitions is dependent upon, *inter alia*, the Company's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licenses and authorisations and successfully integrate acquired entities. The integration of acquired businesses may require management effort, time and resources which could divert management's focus from other strategic opportunities and operational matters. There can be no assurance that the Company will be able to successfully integrate any businesses acquired, or otherwise realise anticipated benefits of any acquisition made.

2.2 Risks related to laws, regulations and compliance

2.2.1 *Risks related to litigation, disputes and claims*

The Group may in the future be involved from time to time in litigation and disputes in various jurisdictions, such as those set out in Section 7.2 (*Principal markets*). The operating hazards inherent in the Group's business may expose the Group to, amongst other things, litigation, including product liability litigation, personal injury litigation, intellectual property litigation, contractual litigation, environmental litigation, tax or securities litigation, as well as other litigation that arises in the ordinary course of business. In particular, the Company may become exposed to claims for costs, losses and damages in several different jurisdictions incurred by a purchaser, distributor and their respective end customers under vendor agreements and distribution agreements, including in the USA where product liability claims may have significant adverse consequences both with respect to cost of defence and any imposed liability

No assurance can be given that the Group is not exposed to claims, litigation and compliance risks, which could expose the Group to losses and liabilities. Such claims, disputes and proceedings are subject to uncertainty, and their outcomes are often difficult to predict. Adverse regulatory action or judgment in litigation could result in sanctions of various types for the Group, including, but not limited to, the payment of fines, damages or other amounts, the invalidation of contracts, restrictions or limitations on the Group's operations, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.2.2 *Risks related to intellectual property*

The Group relies upon intellectual property and trade secrets rights (IPR) and laws to protect important proprietary rights. For more information regarding the Company's patents and its dependence on those, please refer to Section 7.9.1 (*Patents*). If these rights are not sufficiently protected, the Group's ability to compete and generate revenue may be negatively affected. Any failure to protect intellectual property rights or otherwise information or trade secrets used in connection with the technology owned by the Group or any invalidation, circumvention, or challenges to intellectual property rights used or owned by the Group could cause significant costs and have a material adverse effect on the Group's competitive position. For example, infringement claims from third parties related to intellectual property rights could hinder or delay the Group's operations, and the Group's expenses for obtaining legal advice may in such cases be substantial. If the Group's products infringes other validly and enforceable patents, then it may not be able to sell applicable products or could be forced to pay substantial royalties or redesign a product to avoid infringement. A successful claim of infringement against the Group, or the Group's failure or inability to develop non-infringing technology or license the infringed technology, could materially adversely affect its business and results of operations, and/or prospects.

2.2.3 *Risk relating to the use of open source code*

The Group is using open source code in the provision of services and also embedded with hardware. Open source code is publicly available software code, which anyone can inspect, modify and improve. The authors of the source code choose the license that applies to the code. When using open source code it is on condition of full compliance with the terms of the relevant open source licenses. There can be no assurance that the Group will be able to comply with open source license terms at all times, nor that the Group's procedures and routines for ensuring compliance with such terms are adequate. Non-compliance with open source license terms could, *inter alia*, lead to cease and desist claims and claims for damages, which in turn could have a material adverse effect on the Group.

2.3 Risk related to financial matters and market risk

2.3.1 *Adequate funding may not be available in the future*

As of 31 December 2021, the Group's equity ratio was approximately of 81%. The Group's main source of financing has historically been equity, and the Group's main financing source in the near future is as well expected to be equity. The Group has historically been able to raise equity capital in a timely manner, for example through a private placement completed on 22 October 2020, which generated NOK 864 million in gross proceeds. To the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavorable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's financial condition and results of operations and/or prospects.

In addition, any future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. Further, the Group's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Group's control. Failure by the Group to obtain funds for future capital expenditures could impact the Group's results, financial condition, cash flows and prospects.

2.3.2 *Risks related to exchange rate fluctuations*

The Company's functional currency is NOK. A significant portion of the Group's revenue is received in USD, while most of its operating expenses are incurred in NOK. Consequently, there is a risk that fluctuations in USD relative to NOK could negatively affect the Group. Further, the Group could also be negatively affected by fluctuations in the currencies the Company receives its revenue, which currently is EUR (as defined below), USD (as defined below), Canadian Dollar and pound sterling (GBP).

2.4 Risks related to the Shares and the Listing

2.4.1 *Norwegian law could limit shareholders' ability to bring an action against the Company*

The rights of holders of the Shares are governed by Norwegian law and by the Company's articles of association (the "**Articles of Association**"). These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information regarding certain aspects of Norwegian law, see Section 12.13.2 (*Certain aspects of Norwegian law*) of this Prospectus.

2.4.2 *Investors could be unable to exercise their voting rights for Shares registered in a nominee account*

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of the Company ("**General Meeting**"). There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

2.4.3 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by Airthings ASA, with business address Wergelandsveien 7, 0167 Oslo, Norway, solely in connection with the Listing of the Shares on Oslo Børs described herein.

The Board of Directors of Airthings ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

23 June 2022

The Board of Directors of Airthings ASA

Geir Førre *Chair*	**Aksel Lund Svindal** *Board Member*	**Liv Hege Dyrnes** *Board Member*
Lars Boilesen *Board Member*	**Emma Tryti** *Board Member*	**Karin Berg** *Board Member*
Fredrik Thoresen *Board Member*	**Anlaug Underdal** *Board Member, employee representative*	**Tore Rismyhr** *Board Member, employee representative*

4 GENERAL INFORMATION

4.1 Other important information

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. The Managers makes no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implies, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 *"Risk factors"* beginning on page 3.

4.2 Presentation of financial and other information

4.2.1 *Financial information*

In 2022, the Company decided to convert its financial reporting from Norwegian Generally Accepted Accounting Principles ("**NGAAP**") to International Financial Reporting Standards, as adopted by the EU ("**IFRS**"). As such, the Company has prepared audited annual consolidated financial statements for the financial years 31 December 2021 in accordance with IFRS, with unaudited comparative figures for the financial year ended 31 December 2020 (the "**IFRS Financial Statements**"). Further, the Company has prepared audited annual consolidated financial statements for the financial years ended 31 December 2020 and 2019 in accordance with NGAAP (the "**NGAAP Financial Statements**", and together with the IFRS Financial Statements, the "**Annual Financial Statements**"). As the NGAAP Financial Statements are presented in NOK, the Company has made certain recalculations and restatements to the NGAAP Financial Statements. Hence, the 2020 and 2019 NGAAP figures presented in this Prospectus are restated based on the Group's previously reported NGAAP Financial Statements for 2020 (the "**Restated NGAAP Financial Information**"). The unaudited Restated NGAAP Financial Information is attached to this Prospectus as Appendix E. References are made to Sections 4.2.2 (*Functional currency and foreign currency*) and 9.1 (*Introduction and basis for preparation*) regarding recalculation to USD and certain restatements.

Moreover, the Company has prepared unaudited consolidated financial statements for the three-month period ended 31 March 2022 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**").

The Financial Statements, which are included as Appendix B (IFRS 2021 and 2020), Appendix C (NGAAP 2020 and 2019), Appendix D (IAS 34 Q1 2022) and Appendix E (unaudited restated NGAAP 2020) to this Prospectus, were audited by BDO AS ("**BDO**"). The auditor’s reports do not contain any modifications of emphasis on matters.

Other than set out above, BDO has not audited, reviewed or produced any report or any other information provided in this Prospectus.

4.2.2 *Functional currency and foreign currency*

In this Prospectus, all references to "**NOK**" are the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, and all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

The Group changed to USD as presentation currency effective from 2021 in its consolidated financial statements. The change in presentation currency was implemented retrospectively as part of the IFRS conversion, hence comparable 2020 IFRS figures were also translated to USD as part of the 2021 Financial Statements.

The NGAAP Financial Statements were previously prepared and audited with NOK as presentation currency. On this basis, the financial figures from the 2019 and 2020 NGAAP Financial Statements, have for the purpose of this Prospectus been recalculated from NOK to USD using the exchange rate as of 31 December 2020 and 2019 respectively for the balance sheet items and the 2020 and 2019 annual average exchange rates for profit or loss items. The recalculated figures are presented as "unaudited" in this Prospectus.

The Company has NOK as its functional currency, and its subsidiaries have SEK or USD as their functional currency.

Transactions recorded in the financial statements of each subsidiary are done in its functional currency, i.e. the currency that best reflects the primary economic environment in which the entity operates. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables, liabilities and other monetary items in foreign currencies are translated into the functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains or losses resulting from such transactions are recognized in the consolidated statement of profit or loss.

4.2.3 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 *Alternative performance measures*

In order to enhance investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Prospectus that might be considered alternative performance measures (each an "**APM**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures published by ESMA on 5 October 2015. These APMs are: earnings before interest, tax, depreciation and amortization ("**EBITDA**"), annual recurring revenue ("**ARR**") and gross profit margin.

An APM is defined as a measure of financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS. The Group uses APMs to provide supplemental information by excluding items that in its view, does not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from a period to the next, and management uses these measures internally when driving performance in terms of long- and short-term forecasts. The measures are adjusted IFRS measures, and are defined, calculated and consistently applied in financial reporting. The Group focuses on EBITDA, ARR and gross profit margin when presenting the period’s financial result. Financial APMs should not be considered as substitute for measures of performance in accordance with applicable financial reporting framework.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) net sales or profit/(loss) for the period (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods. Because companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies. As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

- The APMs used by the Group are described in the following. Refer to the tables below for a reconciliation. **EBITDA:** The Group's earnings before interest, tax, depreciation and amortization (EBITDA) is used to provide consistent information on Airthings' operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders when evaluating the financial performance of the Group. EBITDA, as defined by Airthings, includes total operating revenue and excludes depreciation, amortization, and impairment loss. For a reconciliation of EBITDA, refer to the consolidated statement of profit or loss in the IFRS Financial Statements attached herein as Appendix B. EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

- **Annual Recurring Revenue or ARR:** Is defined as the value of annualized sales from all active subscriptions, licenses and service contracts within the Airthings for Business and Professional segments. The calculation is based on monthly subscription revenues (MRR) for the last month before period end multiplied by 12 in order to represent an annualized figure. The numbers presented in the table below are translated from NOK to USD applying the average USD/NOK exchange rate for 2021, 2020, 2019 and Q1 2022 and 2021 respectively. ARR is considered an important supplemental measure for stakeholders to get an overall understanding of revenue generation within the Group's operating activities. ARR is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

- **Gross profit margin:** is defined as revenue less cost of goods sold as a percentage of total revenue. Management believes that this measure is important for the users of the financial statements to determine the profitability and the financial performance of the Group. Gross profit margin is a non-

IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Table 1 - EBITDA	**Year ended 31 December**			**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021**	**2020**	**2019**	**2022**	**2021**
Revenue	33,671	20,893	15,824	9,062	6,407
EBITDA	**(8,035)**	**(4,786)**	**(1,797)**	**(3,434)**	**(2,645)**
EBITDA margin	**(24)%**	**(23)%**	**(11)%**	**(38)%**	**(41)%**

Table 2 - ARR	**Year ended 31 December**			**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021**	**2020**	**2019**	**2022**	**2021**
MRR (December/March)	239	94	27	262	140
ARR	**2,866**	**1,132**	**329**	**3,148**	**1,679**

Table 3 – Gross profit margin	**Year ended 31 December**			**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021**	**2020**	**2019**	**2022**	**2021**
Revenue	33,671	20,893	15,824	9,062	6,407
Cost of goods sold	13,041	7,576	4,453	3,735	2,596
Gross profit	**20,630**	**13,317**	**11,371**	**5,327**	**3,811**
Gross profit margin	**61 %**	**64 %**	**72%**	**59 %**	**59 %**

4.3 Third-party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 7 *"Business of the Group"* and other publicly available information. While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Group may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position in the future is based on the Group's own assessment and knowledge of the potential market in which it operates.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 *"Risk Factors"*.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.5 Profit Forecast

4.5.1 *Statement by the Board of Directors*

On 5 May 2022, the Company announced that the Company estimates a revenue level of USD 8.0-9.0 million for the second quarter of 2022. However, on 8 June 2022, the Company revised its revenue forecast for the second quarter of 2022 to USD 6.4-7.4 million, while also reaffirming the Company's overall ambition to reach a revenue of USD 100 million by 2024. The USD 100 million revenue goal was originally announced as an ambition to reach NOK 1 billion in revenue by 2024 in connection with the listing at Euronext Growth in 2020, but in connection with the Company's change of functional currency to USD, the Company re-announced this goal as an ambition to reach USD 100 million by 2024 on 5 May 2022. The profit forecasts for the second quarter of 2022 and the USD 100 million revenue goal by 2024 (jointly referred to as the "**Profit Forecasts**") are based on the principal assumptions stated under Section 4.5.2.1 *"Methodology and assumptions"* below. The accounting policies applied pertaining to the USD 100 million revenue goal are in accordance with the accounting policies set out in the IFRS Financial Statements. The accounting policies applied pertaining to the second quarter 2022 profit forecast are in accordance with the accounting policies set out in the IFRS Financial Statements.

The Profit Forecasts are based on a number of factors, including certain estimates and assumptions, many of which are outside of the Group’s control or influence. The principal assumptions upon which the Company have based the Profit Forecasts are described under Section 4.5.2.1 *"Methodology and assumptions"* below.

The Profit Forecasts reflects the Company's views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future, based on information, estimates and plans at the time they were announced on 5 May 2022 and 8 June 2022, respectively. Actual results are likely to be different from the Profit Forecasts since anticipated events may not occur as expected and the variation may be material. Readers should read the Profit Forecasts in respect to Section 2 *"Risk Factors"*, Section 4.2 *"Financial information"*, Section 4.4 *"Cautionary note regarding forward-looking statements"*, Section 9 *"Selected financial information and other information"*, as well as other sections of this Prospectus.

Reference is made to Section 3 *"Statement of Responsibility"*, wherein the Board approves the Prospectus in its entirety.

4.5.2 *Profit Forecasts*

4.5.2.1 Methodology and assumptions

The Profit Forecasts has been prepared on the basis that is both (a) comparable with the Financial Information presented in this Prospectus, and (b) consistent with the Company's accounting policies set out Section 4.2.1 of this Prospectus. Although the Profit Forecasts has been prepared on a basis comparable to the historical financial information, the Profit Forecasts are based on a large number of estimates made by the Company based on assumptions about future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Company's actual results to differ materially from the Profit Forecasts presented herein.

The Profit Forecasts are based on a number of factors, including certain estimates and assumptions, many of which are outside the Group's control or influence, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements in macroeconomic conditions, currency fluctuations and actions by customers or competitors. While these Profit Forecasts are presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, the Profit Forecasts are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions that are subject to change. It is also likely that one or more of the assumptions the Company has relied upon will not prove to be accurate in whole or in part. The Company's actual results of operations could deviate materially from its forecasts or estimates as a result of other factors, including, those described under Section 2 *"Risk Factors"*, including Section 4.4 *"Cautionary note regarding forward-looking statements"*.

The Company's expectations presented in the Profit Forecasts as to future developments may deviate substantially from actual developments, and the Company's actual results of operations are likely to be different from the Profit Forecasts since anticipated events may not occur as expected, or may materially differ from the forecast provided. Accordingly, readers should treat this information with caution and not place undue reliance on the expectations set forth below. For the purpose of preparing the Profit Forecasts, the Company has applied the principal assumptions set forth in Section 4.5.2.2 *"Principal assumptions"* below.

4.5.2.2 Principal assumptions

In the Interim Financial Statements for the first quarter of 2022, the Company reported total revenue of approximately USD 9.1 million (growth of 41 % year-over-year) and recurring revenues of USD 3.1 million (growth of 87% compared to the year before). In the Profit Forecasts, the Company reported expectations on its consolidated revenue growth in the near-term to continue to be driven by megatrends in the consumer segment as demand for health tech and smart home are strong underlying market drivers. In the business segment, both regulations, technology adoption and sustainability drive the demand for smart solutions that are easy to use. The Company is well positioned to benefit from these growth drivers. In respect to these principal assumptions, the Company assumes that the Group's growth continues in accordance with the Board of Directors and the Company's management expectations. The Group's growth is a factor that the Board of Directors and the Company's management can influence by focusing on its growth initiatives.

Achieving these goals will require that the Company continues its track record, both in terms product innovation as well as in terms of growth and operational efficiency. As the IAQ market matures, it can be expected that the competitive landscape will evolve, and the Company will need to continue to invest in development activities to ensure that the Company maintains its technological and product offering edge. Furthermore, as the Company scales it will need to ensure it strikes the right balance between augmenting its team in the right areas to support growth while avoiding operational inefficiencies.

The Group's revenues going forward depends on many factors which are outside the Group's control or influence, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements or deterioration in macroeconomic conditions, currency fluctuations and actions by customers or competitors.

4.5.2.3 Expectations for the second quarter of 2022 and the year ended 31 December 2024

As announced on NewsWeb on 8 June 2022, the Company presented the following Profit Forecast for the second quarter of 2022, which are based on the principal assumptions described above in Section 4.5.2.2 *"Principal assumptions"*.

- Airthings ASA "*revises its revenue forecast for the second quarter 2022 to USD 6.4-7.4 million from the previously indicated range of USD 8.0-9.0 million. The downward revision reflects significant inventory adjustments at retailers and online channels*".

As announced on 5 May 2022, the Company presented the following Profit Forecast:

- The Company has a revenue goal of more than USD 100 million in annual revenues by 2024.

As announced by the Company on 8 June 2022, temporary factors are putting downward pressure on topline revenues. However, the Company's management and Board of Directors remain confident in the Company's ability to retain its position in a rapidly growing market in the long-term. As such, the Company reaffirmed its revenue goal of more than USD 100 million in annual revenues by 2024.

5 REASONS FOR THE LISTING

The main reason for the Listing is to facilitate greater liquidity in the Shares attracting new prospective shareholders in order to build a more diversified shareholder base. The Company believes it will have an enhanced profile with investors, business partners and customers through the Listing. In addition, the Company will have enhanced access to the capital markets for financing of potential growth opportunities in the future.

6 DIVIDEND AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal requirements set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 6.2 *"Legal constraints on the distribution of dividends"*) and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 6.2 *"Legal constraints on the distribution of dividends"*, further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 15 *"Norwegian Taxation"*.

The Company has not established any dividend policy to date, but will in a more mature phase strive to follow a dividend policy favorable to the shareholders. As of the date of this Prospectus, the Company will focus on investments that can grow the business and does not seek to distribute dividends.

The Company has not paid any dividends on its Shares during the financial years ended 31 December 2021, 2020 and 2019.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealized gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;

- the calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the general meeting of shareholders may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts;

- dividends may also be resolved by the general meeting of shareholders based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the general meeting's resolution; and

- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through DNB Bank ASA (the "**VPS Registrar**") with registered address at Dronning Eufemias gate 30, 0191 Oslo, Norway. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7 BUSINESS OF THE GROUP

7.1 Introduction to Airthings ASA

Airthings ASA is the parent company of the Group. The Group develops, produces and sells air quality and energy management solutions within three segments; the consumer segment, the business segment and the radon professional segment. The technology is patented and provides unique detecting capabilities based on research from the European Organization for Nuclear Research ("**CERN**"). The solutions measure and resolve poor IAQ and contaminants, thereby reducing unnecessary deaths and cases of illness related to poor IAQ and contaminants. In addition, the solutions enhance productivity by optimizing the IAQ and can save >20% of energy consumed by buildings by optimizing heating, ventilation and air conditioning. Buildings contribute ~40% of global energy consumption.[1]

Established in 2008, Airthings is a Norway-based tech company led by a team of experienced scientists, engineers and technology professionals, with a common goal: to educate on the prevalence of radon, as well as other indoor air contaminants, and develop accessible technology solutions to help people stay healthy.

Most ideas start with a problem: radon testing for homeowners had not improved in almost 30 years. Several scientists working together at CERN saw a gap in the radon market. Traditionally, consumers only had two options: call a professional to test their radon levels, or purchase a single-use charcoal test which was then sent to a lab for the results.

Airthings was established to break free from these traditions and put consumers, as well as business owners, back in control of their IAQ. By using the same professional radon and IAQ technology across devices, keeping design in-house and developing a more user friendly customer experience, Airthings is able to provide simple, affordable and accurate products, giving consumers and businesses complete control of their IAQ and giving radon professionals state-of-the-art, fully certified and performance-driven products with app capabilities.

From 2008 and until 2017, the Company focused on measuring and managing radon levels in the indoor air environment. In 2017, the Company launched Airthings Wave and entered the broader IAQ measuring and management space.

Today Airthings is a scalable, cloud-based indoor air monitoring and management platform based on best-of-breed sensors, machine learning, interoperability and ease-of-use. The Company has successfully built a premium brand, global distribution channels, and thought-leadership position in radon, with the world's most sold digital radon detector.[2] The Company distributes its solutions both through direct and indirect sales channels globally, including own website, Amazon, 2,500 retail stores and other partners.

7.2 Principal markets

The Company's current operations are primarily focused in the North-American market, but the Company also has an important foothold in numerous European countries, including the Nordics, Germany, France, Italy, Spain and the UK. Essentially every building and household in North-America and Europe is a target market i.e. the total addressable market is considered large. Currently, Airthings considers the North-American and European markets as its main markets, but the Company's strategic ambition is to also grow in other parts of the world. In

[1] European Commission CORDIS EU research results, International Energy Agency (IEA)

[2] QYResearch "*Impact of COVID-19 Outbreak on Randon Gas Sensors Gas sensors, of global market research report 2020*" (2020), page 10 cont.

addition to the US, Canada and Europe, the Company is currently certified to sell in Australia, India, Japan, UAE, Singapore and Hong Kong. New markets are assessed on a continuous basis.

Airthings is divided into three business segments, reflecting which customer segments of which the solutions are sold to: the consumer segment, the business segment and the radon professional segment. The consumer segment is the largest segment by revenue. The business segment was started in 2019 and has had a strong development.

The Company has a large and diversified customer base, among others consisting of a considerable number of public sector entities, retailers and building technology providers. Further, the customer base generally consists of customers with a long-term and strong relationship to Airthings. Due to the extensive global distribution network, using both direct and indirect sales channels, Airthings has customers from all around the world. Amazon currently represents the Company's biggest sales channel, mainly directed towards consumers.

There are various products offering air quality monitoring and management, but none of which includes sensors for measuring radon, nor the same comprehensive ecosystem orchestrated through the cloud. Airthings has successfully built a premium brand and global thought-leadership position in radon with the world's most sold digital radon detector.[3]

7.3 Strategy and objectives

Airthings is on a mission to ensure people around the world take control of their IAQ through simple, affordable and accurate technology solutions – making radon and IAQ sensors an essential and universal element of every building.

The IAQ market is in its infancy, with strong global forces driving the growth. In the consumer segment, megatrends driving demand for health tech and smart home are strong underlying market drivers. In the business segment, both regulations, technology adoption and sustainability drive the demand for smart solutions that are easy to use. The Company is well positioned to benefit from these growth drivers.

The Company's purpose is to empower the world to breathe better. This vision is the foundation for the Company's objectives:

- Position Airthings as the benchmark for quality IAQ monitoring
- Create solutions to enable people and the planet to breathe better
- Drive action for a sustainable future
- Optimize business operations, scalability and quality of the Company's solutions

The Company has communicated to the market a revenue goal of more than USD 100 million by 2024. This includes an annual recurring revenue target of more than USD 20 million. Over the long term, the Company is aiming for an EBITDA margin exceeding 25%, assuming continued strong sales momentum and increasing annual recurring revenues.

Achieving these goals will require that the Company continues its track record, both in terms product innovation as well as in terms of growth and operational efficiency. As the IAQ market matures, it can be expected that the competitive landscape will evolve, and the Company will need to continue to invest in development activities to ensure that the Company maintains its technological and product offering edge. Furthermore, as the Company scales it will need to ensure it strikes the right balance between augmenting its team in the right areas to support growth while avoiding operational inefficiencies.

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[3] QYResearch "*Impact of COVID-19 Outbreak on Randon Gas Sensors Gas sensors, of global market research report 2020*" (2020), page 10 cont.

7.4 History and important events

The table below provides an overview of key events in the history of the Group:

Table 3 - Overview of key events in the history of the Group

Year	Event
2008	The company was founded on 1 August under the name Corentium
2009	Measured radon digitally for the first time
2011	First consumer product launched
2015	New board established and Øyvind Birkenes joins the company as CEO
2016	Company rebranded to Airthings and Corentium Pro was launched
2017	Exhibited at CES for the first time and launched the Airthings Wave product
2018	Entered the indoor air quality space with the launch of Airthings Wave Plus
2019	Established Airthings for Business targeting commercial buildings
2020	Acquired Airtight and launched the first virtual sensor, the Mold Risk indicator
2020	Private placement with a total transaction size of MNOK 864 successfully completed on 22 October 2020 and listing on Euronext Growth Oslo
2021	Launch of View Plus and View CO_2
2022	Launch of View Pollution and View Radon|

7.4.1 *Recent acquisitions*

The Group has not completed any recent acquisitions.

7.5 Products

Airthings provides an ecosystem of interconnected battery-operated sensors, virtual sensors, hubs, controllers, user interfaces, APIs and integrations, where the Airthings cloud is the brain of the system. An exponential amount of data is collected through the battery-operated sensors. The hubs communicate with the battery-operated sensors through a proprietary Smartlink network communication technology, and the hubs connect to the internet and transfers the data to the cloud through the cellular network (5G) or Ethernet. The battery-operated sensors can also communicate directly with the cloud through an intermediate mobile Bluetooth connection. The data is then carefully processed and mined, by using big data analytics including machine learning, and will eventually provide unique customer insights. Customers receive unique insight through the analytics dashboard, available both on mobile apps and through the web on desktops. The dashboard provides a quick and easy solution to view, compare, analyze and export data.

The Company can utilize existing datasets to offer new insights through virtual sensors, such as the mold risk indicator and virus risk indicator. The cloud and analytics platform enables Airthings to continuously develop new products and services that address specific customer problems. A wide range of additional virtual sensors are expected to be implemented going forward.

As of the date of this Prospectus, Airthings does not have any significant new products or services that have been introduced to the market or publicly disclosed.

7.6 Material contracts

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Prospectus.

7.7 Investments

The Company has had no material investments for the period covered by the historical financial information and has not made firm commitments for any future material investments.

7.8 Legal and regulatory proceedings

The Group is not, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

7.9 Dependency on patents, licenses etc.

7.9.1 *Patents*

The Company holds several patents related to measurement of radon and dynamic pressure control within buildings. Further patents are due for filing. Some technology and knowhow are not patentable but protected primarily as trade secrets.

As of the date of this Prospectus, the Group owns US patent no 9354214, US patent no 10534094, GB 2493107, European Patent no 2734863, European Patent no 3195016, US patent no 15325410, US Patent no 2017-0160402, European Patent no 2734862, D686,519, Norwegian Patent no 344755. The Company is not dependent on its patents.

The Company's products require certification in each country, before they can be sold. Airthings is currently certified to sell some or all of the Company's products in US, Canada, EU, EFTA, Switzerland, Singapore, India, Hong Kong, Australia, UAE, and Japan. Certification requirements vary between the different countries, but in general relate to one or more of the following:

- Radio operation and frequency range.
- Safety related to product use
- Electromagnetic compatibility

There are usually additional requirements for the Airthings for Business hub, including power supply approval, cellular modem certification (using pre-certified modem) and embedded SIM with global roaming, which requires special licenses in some countries.

In many cases, the Company is dependent on these certifications in order to legally sell the products in the given markets. However, for most countries, the certification never expires. Therefore, once it has been granted it will only need to be renewed in case of changes to the products' components. The Company has well-structured process and dedicated personnel to handle certification of new and changed products, and the team begins the certification process well in advance of planning to launch a product or products in a new country.

7.10 Likely future development

The Airthings customer journey is structured as a continuous process: Measuring IAQ (data), understanding the meaning of the measurements (insights), solving the problems (mitigation) – and back to measuring to ensure the problem is solved. The Company is continuously looking to develop products and solutions for each step in the customer journey. The maturity level varies across the steps due to the historical focus of the Company.

Airthings was founded on technology centered on the "data" part, with a patented radon monitoring technology. This remains a strength as the Company continues to develop its sensor radon technology and partner with other companies to provide better sensors for other IAQ parameters.

The "insights" part has matured significantly over the last five years, with large efforts being put into processing, analyzing and explaining data through algorithms and software products. The Company is committed to continue exploring and improving, as this area is considered crucial in order to continue to claim a frontrunner position in the IAQ space.

Finally, helping customers mitigate problems is growing in importance, as customers soon lose interest in monitoring unless they can actually do something about the problem. Going forward, the Company will increase the research and development efforts in this area.

7.11 Regulatory environment

As a result of the Group's scope of operations, the Group subject to a variety of regulations in different countries. For example, the Company's products requires certification in each country, before it can be sold. Airthings is currently certified to sell some or all of the Company's products in US, Canada, EU, EFTA, Switzerland, Singapore, India, Hong Kong, Australia, UAE, and Japan. Certification requirements vary between the different countries, but in general relate to one or more of the following:

- Radio operation and frequency range
- Safety related to product use
- Electromagnetic compatibility

There are usually additional requirements for the Airthings for Business hub, including power supply approval, cellular modem certification (using pre-certified modem) and embedded SIM with global roaming, which requires special licenses in some countries.

7.12 Research and development

Airthings is a hardware enabled software company. The core technology platform is centered around sensors providing data to a cloud and analytics platform for processing. This data is then presented to the customers, either directly on the product, or on a digital front-end to educate the customers on their IAQ. The data can also be provided directly into the customers' own building or HVAC system.

The Company's research and development ("**R&D**") team consists of front-end and back-end developers, data scientists and engineers, firmware (embedded) developers and hardware engineers, as well as product management and UX/UI professionals. The Company invests extensive resources into R&D, with about half of the Company employed within the above-mentioned functions.

8 CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

The financial information presented below has been extracted from the Group's Interim Financial Statements and should be read in conjunction with the other parts of the Prospectus, in particular Section 10 "Selected Financial Information and Other Information" and Section 11 "Operating and Financial Review".

This Section 8 "Capitalisation and indebtedness" provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 March 2022.

There has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 31 March 2022.

8.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as at 31 March 2022:

Table 4 - Capitalisation

	As at 31 March 2022 *Unaudited*
(In USD thousands)	
Total current debt (including current portion of non-current debt)…	
- Guaranteed………	
- Secured………	
- Unguaranteed / unsecured………	10,473[1]
Total current debt:………	**10,473**
Total non-current debt (excluding current portion of non-current debt):	
Guaranteed ………	
Secured ………	
Unguaranteed / unsecured ………	4,317[2]
Total non-current debt:………	**4,317**
Total indebtedness………	**14,791**
Shareholders' equity	
Share capital………	190
Legal reserve(s)………	78,784
Other reserves………	(13,509)
Total shareholders' equity………	**65,465**
Total capitalisation………	**90,729**

[1] Current unguaranteed/unsecured debt comprises trade and other payables of USD 7.2 million, contract liabilities of USD 0.1 million, income tax payable of USD 0.01 million, current provisions of USD 1.6 million, and current lease liabilities of USD 0.8 million.

[2] Unguaranteed/unsecured non-current debt comprises non-current lease liabilities of USD 3.6 million, and non-current provisions of USD 0.7 million.

There has been no material change to the Group’s consolidated unaudited capitalisation since 31 March 2022.

8.3 Net financial indebtedness

The following table set forth information about the Group's consolidated net financial indebtedness as at 31 March 2022:

Table 5 – Net financial indebtedness

(In NOK thousands)		**As at 31 March 2022** *Unaudited*
(A)	Cash	35,607[1]
(B)	Cash equivalents	
(C)	Other current financial assets	
(D)	**Liquidity (A + B + C)**	**35,607**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt	
(F)	Current portion of non-current financial debt	
(G)	**Current financial indebtedness (E + F)**	
(H)	**Net current financial indebtedness (G - D)**	**(35,607)**
(I)	Non-current financial debt (excluding current portion and debt instruments)	
(J)	Debt instruments	
(K)	Non-current trade and other payables	
(L)	**Non-current financial indebtedness (I + J + K)**	
(O)	**Total financial indebtedness (H+L)**	**(35,607)**

[1] Cash comprises unrestricted bank deposits of USD 34.3 million and restricted bank deposits of USD 1.3 million.

There has been no material change to the Group's consolidated net financial indebtedness since 31 March 2022.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

8.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness as of the date of the Prospectus beyond that described in the tables above.

9 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

9.1 Introduction and basis for preparation

The Company has prepared the audited annual consolidated financial statements for the financial year ended 31 December 2021 in accordance with IFRS, with unaudited comparative figures for the financial year ended 31 December 2020. Further, the Company has prepared audited annual consolidated financial statements for the financial years ended 31 December 2020 and 2019 in accordance with NGAAP. As the NGAAP Financial Statements are presented in NOK, the Company has made certain recalculations and restatements to the NGAAP Financial Statements (see below information on recalculation/restatements). Hence, the 2020 and 2019 NGAAP figures presented in this Prospectus are restated based on the Group's previously reported NGAAP Financial Statements for 2020.

Moreover, the Company has prepared unaudited consolidated financial statements for the three-month period ended 31 March 2022 in accordance with IAS 34.

The Financial Statements, which are included as Appendix B (IFRS 2021 and 2020), Appendix C (NGAAP 2020 and 2019) and Appendix D (IAS 34 Q1 2022) to this Prospectus, were audited by BDO AS. The auditor's reports do not contain any modifications of emphasis on matters.

IFRS Conversion

Effects on figures from the transition to IFRS relate to capitalization of lease agreements, amortization of goodwill and revenue recognition (reclassification of consideration payable to a customer from OPEX to reduction in revenue including smaller timing changes due to estimation and constraining requirements of variable consideration). In combination with the transitional impacts described herein, other adjustments and non-material impacts are described in note 8.1 to the IFRS Financial Statements, attached herein as Appendix B.

Change in presentation currency

The Group changed to USD as presentation currency effective from 2021. The change in presentation currency was implemented retrospectively as part of the IFRS conversion, hence comparable 2020 IFRS figures were also translated to USD as part of the 2021 Financial Statements.

The NGAAP Financial Statements were previously prepared and audited with NOK as presentation currency. On this basis, the financial figures from the 2019 and 2020 NGAAP Financial Statements, have for the purpose of this Prospectus been recalculated from NOK to USD using the exchange rate as of 31 December 2020 and 2019 respectively for the balance sheet items and the 2020 and 2019 annual average exchange rates for profit or loss items. The recalculated figures are presented as "unaudited" in this Prospectus.

Restatement of NGAAP figures for 2019 and 2020

In 2020, the Group changed its accounting principles related to accounting for its share-based payment program. The change was implemented retrospectively with related restatement of comparable figures for 2019. Thus, for the sake of comparability and to include the last issued financial information, the financial information for the year ended 2019 is extracted from the 2020 Financial Statements and the figures are labelled as "Restated". For further information, reference is made to note 2 in the Group's 2020 NGAAP Financial Statements, attached hereto as Appendix C.

In Q2 2021, the Group made certain measurement period adjustments to the purchase-price-allocation ("**PPA**") related to the Airtight acquisition. The adjustments were accounted for retrospectively as an adjustment to the original PPA from 2020. Thus, 2020 NGAAP figures were restated, and the restated full year 2020 figures are presented in the Q2 2021 NGAAP interim report. To include the last issued financial information as a basis for this Prospectus, the NGAAP financial information for the year ended 31 December 2020 is extracted from the Q2 2021 NGAAP interim report and the figures are labelled as "Restated". For further information on the changes, reference is made to Appendix E.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements attached as Appendix B (IFRS 2021 and 2020), Appendix C (NGAAP 2020 and 2019) and Appendix D (IAS 34 Q1 2022) to this Prospectus.

9.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see Note 1.3-1.4 of the Group's IFRS Financial Statements, attached hereto as Appendix B (IFRS 2021 and 2020); Appendix C (NGAAP 2020 and 2019); and Appendix D (IAS 34 Q1 2022). Summarized below are those accounting policies deemed critical by the Group.

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all its revenue arrangements, and hence recognizes revenue gross.

Sale of goods

Revenue from the sale of air quality sensors is recognized at the point in time when a performance obligation arising from a contractual obligation with a customer has been met. The Group's performance obligation is satisfied at a point in time, upon delivery or when the goods are packed and shipped, depending on the delivery terms. The payment terms are generally 30 days after the performance obligation is satisfied.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., services or Software as a Service ("**SAAS**")). Where a contract included several performance obligations, revenue is split among the different performance obligations based on relative stand- alone selling prices.

In determining the transaction price for the sale of a product, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and any consideration payable to the customer. Revenue is recognized net of any discounts.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of air quality sensors and radon detectors provide customers with a right to return the goods within a specified period. The Group also provides retrospective volume rebates to certain customers once the quantity products purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

Right of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue.

Consideration payable to a customer

Consideration payable to a customer is accounted for as a reduction of the transaction price, unless the payment to the costumer is in exchange for a distinct good or service and the fair value of the distinct good or value can be reasonably estimated. Consideration payable to a customer is estimated when the sale occurs and recognized as a provision. The transaction price is reduced accordingly.

Sale of software as a service (SaaS)

The Group also has revenue from license fees, which are SaaS contracts consisting of a software licensing model where software is licensed on a subscription basis and centralized on Airthings platform. Revenue from SaaS arrangements, where the customer cannot take possession of the software license and where the software license cannot be separated from its related hosting services are considered as "right to access" licenses and revenue is recognized over time (i.e., the subscription period).

Sale of services

Revenue from the rendering of services mainly relates to calibration services delivered in connection with a solution to the business or professional market. These calibration services are sold separately or bundled but do not significantly customize or modify the other products in the contract. Contracts for bundled sales of equipment and calibration services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services. Revenue from these services is recognized over time using an input method to measure progress towards completion of the services, because the customer simultaneously receives and consumes the benefits provided by the Group.

Rental income

Rental income is derived from the rental of equipment such as Corentium Pro in the professional segment. Rental income is recognized on a straight-line basis over the lease term and is included in revenues in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognized over the lease term on the same basis as rental income.

Capitalization of internal development costs

Development expenditures on an individual project, which represents new applications, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefit
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Other costs are classified as research and expensed as incurred.

Useful lives and subsequent measurement

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The initial assessment and review of economic useful lives requires management to make estimates and assumptions on the Group's IP and competition in the future. Changes in the expected useful life are treated as changes in accounting estimates.

Right-of-use assets and lease liabilities

At inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

At the commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an underlying value of less than USD 5 thousand)

For these leases, the Group recognizes the lease payments as operating expenses in the consolidated statement of profit or loss.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the

Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any incentives received
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in and index or rate. The Group presents its lease liabilities as separate line items in the consolidated statement of financial position.

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset includes the corresponding amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (note 5.3). The right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Depreciation is calculated on a straight-line basis.

The Group presents its right-of-use assets as separate line items in the consolidated statement of financial position.

9.3 Income statement

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated NGAAP Financial Information and the Interim Financial Statements.

Table 6 - Statement of profit or loss	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020** *NGAAP Unaudited Restated*[1]	**2019** *NGAAP Unaudited Restated*[1]	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Revenues	33,671	20,893	22,818	15,824	9,062	6,407
Other operating income	28	123	123	565	-	-
Total revenue and other operating income	**33,699**	**21,016**	**22,941**	**16,389**	**9,062**	**6,407**
Cost of goods sold	13,041	7,576	7,576	4,453	3,735	2,596
Employee benefit expenses	15,127	9,094	9,094	5,918	4,432	3,330
Other operating expenses	13,566	9,132	11,510	7,816	4,329	3,126
Operating profit or loss before depreciation and amortization (EBITDA)	**(8,035)**	**(4,786)**	**(5,239)**	**(1,797)**	**(3,434)**	**(2,645)**
Depreciation and amortization	1,335	736	509	79	375	291
Operating profit or loss (EBIT)	**(9,371)**	**(5,522)**	**(5,748)**	**(1,876)**	**(3,809)**	**(2,935)**
Finance income	323	20	20	541	0	(0)
Finance costs	268	673	524	630	288	170
Net financial items	**55**	**(653)**	**(504)**	**(89)**	**(288)**	**(170)**
Profit (loss) before tax	**(9,315)**	**(6,175)**	**(6,252)**	**(1,966)**	**(4,097)**	**(3,105)**
Income tax expense	(2,055)	(2,044)	(2,017)	(453)	(966)	194
Profit (loss) for the year	**(7,261)**	**(4,131)**	**(4,235)**	**(1,512)**	**(3,131)**	**(3,299)**
Profit (loss) for the year attributable to:						
Equity holders of the parent company	**(7,261)**	**(4,131)**	**(4,235)**	**(1,512)**	**(3,131)**	**(3,299)**

[1]The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation".

Table 7 - Statement of comprehensive income	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS* *Audited*	**2020** *IFRS* Unaudited	**2020**[1] *NGAAP* *Unaudited* *Restated*[2]	**2019**[1] *NGAAP* *Unaudited* *Restated*[2]	**2022** *IAS 34* *Unaudited*	**2021** *IAS 34* *Unaudited*
Profit (loss) for the year	**(7,261)**	**(4,131)**	**(4,235)**	**(1,512)**	**(3,131)**	**(3,299)**
Other comprehensive income:						
Items that subsequently will not be reclassified to profit or loss:						
Exchange differences on translation of parent company	(2,366)	4,289	-	-	530	45
Total items that may be reclassified to profit or loss	(2,366)	4,289	-	-	530	45
Items that subsequently may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	14	25	-	-	(1)	-
Total items that may be reclassified to profit or loss	14	25	-	-	(1)	-
Other comprehensive profit (loss) for the year	**(2,352)**	**4,314**	**-**	**-**	**529**	**45**
Total comprehensive profit (loss) for the year	**(9,612)**	**183**	**(4,235)**	**(1,512)**	**(2,602)**	**(3,255)**
Total comprehensive profit (loss) attributable to:						
Equity holders of the parent company	(9,612)	183	(4,235)	(1,512)	(2,602)	(3,255)

[1] No other comprehensive income has historically been reported under NGAAP, as no such statement is required under NGAAP and due to the fact that the accounts were previously reported in NOK. Any exchange differences related to translation are generally recognized directly in equity under NGAAP.

[2] The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation"

9.4 Balance sheet

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated NGAAP Financial Information and the Interim Financial Statements.

The development in the balance sheets are commented further in Section 10 *"Operating and financial review"*.

Table 8 – The Group's balance sheet	**As at 31 December**				**As at 31 March**	
(Amounts in USD thousands)	**2021** *IFRS* *Audited*	**2020** *IFRS* *Unaudited*	**2020** *NGAAP* *Unaudited* *Restated*[1]	**2019** *NGAAP* *Unaudited* *Restated*[1]	**2022** *IAS 34* *Unaudited*	**2021** *IAS 34* *Unaudited*
ASSETS						
Non-current assets						
Goodwill	3,210	3,317	3,096	-	3,236	3,320
Intangible assets	2,495	2,332	2,332	418	2,884	2,345
Deferred tax assets	4,509	2,953	2,688	510	5,523	2,723
Property, plant and equipment	809	595	595	263	893	712
Right-of-use assets	4,241	3,578	-	-	4,160	3,487
Other non-current assets	1,075	1,524	1,524	38	682	1,177
Total non-current assets	**16,339**	**14,298**	**10,234**	**1,230**	**17,377**	**13,765**
Current assets						
Inventories	11,429	4,694	4,694	3,306	12,947	5,706
Trade receivables	11,850	7,000	7,000	4,640	10,321	4,741
Other receivables	1,889	2,041	2,041	1,618	4,004	2,547
Cash and cash equivalents	42,174	62,943	62,943	5,589	35,607	58,413
Total current assets	**67,342**	**76,678**	**76,678**	**15,154**	**62,879**	**71,407**
TOTAL ASSETS	**83,680**	**90,976**	**86,912**	**16,383**	**80,256**	**85,172**
EQUITY AND LIABILITIES						
Equity						

Share capital	190	188	188	65	190	189
Share premium	78,669	78,472	78,472	10,440	78,784	78,532
Other capital reserves	1,704	1,096	1,096	636	1,814	1,235
Other equity	(12,721)	(3,108)	(2,390)	(31)	(15,323)	(6,363)
Total equity	**67,842**	**76,648**	**77,367**	**11,109**	**65,465**	**73,593**
Non-current liabilities						
Non-current interest-bearing liabilities	-	-	-	2,037	-	-
Non-current lease liabilities	3,803	3,243	-	-	3,636	3,176
Deferred tax liabilities	-	343	343	-	-	334
Non-current provisions	1,090	1,442	1,442	-	682	1,153
Total non-current liabilities	**4,892**	**5,028**	**1,785**	**2,037**	**4,317**	**4,663**
Current liabilities						
Current interest-bearing liabilities	-	1,901	1,901	-	-	-
Current lease liabilities	670	473	-	-	779	475
Trade and other payables	7,027	4,139	4,139	2,301	7,173	4,395
Contract liabilities	894	422	422	73	963	618
Income tax payable	27	10	10	4	10	4
Current provisions	2,328	2,355	1,289	858	1,550	1,424
Total current liabilities	**10,946**	**9,300**	**7,761**	**3,236**	**10,473**	**6,916**
Total liabilities	**15,838**	**14,327**	**9,545**	**5,274**	**14,791**	**11,579**
TOTAL EQUITY AND LIABILITIES	**83,680**	**90,976**	**86,912**	**16,383**	**80,256**	**85,172**

[1]*The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation".*

9.5 Statement of cash flow

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated NGAAP Financial Information and the Interim Financial Statements.

The developments in the cash flows are commented further in Section 10 *"Operating and financial review"*.

Table 9 – Cash flow statement	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS* *Audited*	**2020** *IFRS* Unaudited	**2020** *NGAAP* *Unaudited* *Restated*[1]	**2019** *NGAAP* *Unaudited* *Restated*[1]	**2022** *IAS 34* *Unaudited*	**2021** *IAS 34* *Unaudited*
Cash flows from operating activities						
Profit (loss) before tax	**(9,315)**	**(6,175)**	**(6,252)**	**(1,966)**	**(4,097)**	**(3,105)**
Adjustments to reconcile profit before tax to net cash flows:						
Net financial items	(55)	653	504	89	288	170
Depreciation and amortization	1,335	736	509	79	375	291
Share- based payment expense	608	460	460	468	110	139
Working capital adjustments:						
Changes in inventories	(6,736)	(1,387)	(1,387)	(1,622)	(1,518)	(1,012)
Changes in trade and other receivables	(4,697)	(2,783)	(2,783)	(1,333)	(587)	1,752
Changes in trade and other payables and contract liabilities	3,360	2,188	2,188	474	215	452
Changes in provisions	(380)	1,900	1,872	-	(1,185)	(1,220)
Other items						
Tax paid	1	(4)	(4)	-	-	1
Net cash flows from operating activities	**(15,879)**	**(4,412)**	**(4,893)**	**(3,810)**	**(6,400)**	**(2,533)**
Cash flows from investing activities						

Development expenditures	(574)	(269)	(269)	-	(477)	(210)
Purchase of property, plant and equipment	(495)	(404)	(404)	(503)	(144)	-
Purchase of shares in subsidiaries, net of cash acquired	-	(1,255)	(1,255)	-	-	-
Interest received	102	14	14	-	-	-
Net cash flow from investing activities	**(968)**	**(1,914)**	**(1,914)**	**(503)**	**(620)**	**(210)**
Cash flow from financing activities						
Proceeds from issuance of equity	198	69,162	69,162	6,217	115	60
Proceeds from sales of own shares	-	184	184	304	-	-
Transaction costs on issue of shares	-	(3,641)	(3,641)	-	-	-
Proceeds from borrowings	-	-	-	2,037	-	-
Repayment of borrowings	(1,901)	(177)	(177)	-	-	(1,901)
Payments for the principal portion of the lease liability	(636)	(302)	-	-	(184)	(130)
Payments for the interest portion of the lease liability	(217)	(149)	-	-	(57)	(48)
Interest paid	(4)	(106)	(106)	-	-	(4)
Net cash flows from financing activities	**(2,560)**	**64,971**	**65,422**	**8,558**	**(126)**	**(2,023)**
Net increase/ (decrease) in cash and cash equivalents	**(19,407)**	**58,644**	**58,614**	**4,245**	**(7,146)**	**(4,766)**
Cash and cash equivalents at 1 January	62,943	5,589	5,589	1,419	42,174	62,943
Net foreign exchange difference	(1,362)	(1,290)	(1,260)	(74)	578	235
Cash and cash equivalents at 31 December	**42,174**	**62,943**	**62,943**	**5,589**	**35,607**	**58,413**

[1]The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation"

9.6 Statement of changes in equity

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated NGAAP Financial Information and the Interim Financial Statements.

Table 10.1 - Statement of changes in equity *(IFRS)*					**Other equity**		
(Amounts in USD thousands)	**Share capital**	**Share premium**	**Treasury shares**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Equity at as 1 January 2020	**65**	**10,440**	**(0.3)**	**636**	**-**	**(841)**	**10,300**
Profit (loss) for the year	-	-	-	-	-	(4,131)	(4,131)
Other comprehensive profit (loss)	-	-	-	-	4,314	-	4,314
Total comprehensive profit (loss)	**-**	**-**	**-**	**-**	**4,314**	**(4,131)**	**183**
Sale of treasury shares	-	-	0.3	-	-	184	185
Capital increase	123	68,032	-	-	-	1,007	69,162
Transaction costs	-	-	-	-	-	(3,641)	(3,641)
Share-based payments	-	-	-	460	-	-	460
Equity as at 31 December 2020	**188**	**78,472**	**-**	**1,096**	**4,314**	**(7,422)**	**76,648**
Profit (loss) for the year	-	-	-	-	-	(7,261)	(7,261)
Other comprehensive profit (loss)	-	-	-	-	(2,352)	-	(2,352)
Total comprehensive profit (loss)	**-**	**-**	**-**	**-**	**(2,352)**	**(7,261)**	**(9,612)**
Capital increase	1	197	-	-	-	-	198
Share-based payments	-	-	-	608	-	-	608
Equity as at 31 December 2021	**190**	**78,669**	**-**	**1,704**	**1,962**	**(14,683)**	**67,842**
Profit (loss) for the period	-	-	-	-	-	(3,131)	(3,131)
Other comprehensive profit (loss)	-	-	-	-	529	-	529
Total comprehensive profit (loss)	**-**	**-**	**-**	**-**	**529**	**(3,131)**	**(2,602)**
Capital increase	1	115	-	-	-	-	115
Share-based payments	-	-	-	110	-	-	110
Equity as at 31 March 2022	**190**	**78,784**	**-**	**1,814**	**2,491**	**(17,814)**	**65,465**

Equity as at 1 December 2021	**188**	**78,472**	**-**	**1,096**	**4,314**	**(7,422)**	**76,648**
Profit (loss) for the period	-	-	-	-	-	(3,299)	(3,299)
Other comprehensive profit (loss)	-	-	-	-	45	-	45
Total comprehensive profit (loss)	**-**	**-**	**-**	**-**	**45**	**(3,299)**	**(3,255)**
Capital increase	1	60	-	-	-	-	60
Share-based payments	-	-	-	139	-	-	139
Equity as at 31 March 2021	**189**	**78,532**	**-**	**1,235**	**4,359**	**(10,721)**	**73,593**

The table below sets out data from the Group's consolidated statement of changes in equity for the year ended 31 December 2020 (NGAAP).

Table 10.2 - Statement of changes in equity *(NGAAP – Unaudited and restated[1])*					**Other equity**		
(Amounts in USD thousands)	**Share capital**	**Share premium**	**Treasury shares**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Equity at as 1 January 2019	**56**	**4,257**	**(0.8)**	**169**	**-**	**1,182**	**5,662**
Profit (loss) for the year						(1,512)	(1,512)
Currency translation differences[2]					(4)		(4)
Sale of treasury shares			0.5			304	304
Capital increase	9	6,182					6,191
Share-based payments				468			**468**
Equity at as 31 December 2019	**65**	**10,440**	**(0.3)**	**636**	**(4)**	**(27)**	**11,109**
Profit (loss) for the year	-	-	-	-	-	(4,235)	(4,235)
Currency translation differences[2]	-	-	-	-	4,327	-	4,327
Sale of treasury shares	-	-	0.3	-	-	184	**185**
Capital increase	123	68,032	-	-	-	1,007	**69,162**
Transaction costs	-	-	-	-	-	(3,641)	**(3,641)**
Share-based payments	-	-	-	460	-	-	460
Equity as at 31 December 2020	**188**	**78,472**	**-**	**1,096**	**4,323**	**(6,712)**	**77,367**

[1] *The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation".*

[2] *Translation differences related to the translation from NOK to USD for the purpose of presentation in this Prospectus.*

9.7 Key financial information by operating segment and geographic area

The table below sets out the Group's revenue by segment, as extracted from the IFRS Financial Statements, the Restated NGAAP Financial Information and the Interim Financial Statements.

Table 11 – Consolidated revenue by segment	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020** *NGAAP Unaudited*	**2019** *NGAAP Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Consumer	26,064	19,188	19,188	15,257	6,616	4,662
Business	6,942	1,430	1,430	343	2,240	1,116
Professional	3,167	2,200	2,200	240	687	971
Adjustments/eliminations	(2,502)	(1,925)	-	-	(482)	(342)
Total external revenue	**33,671**	**20,893**	**22,818**	**15,839**	**9,062**	**6,407**

The "adjustments/eliminations" row in the table above consists of IFRS adjustments that are not included as part of the segment reporting to the Board. The adjustments relate to consideration payable to a customer which was previously recognized as operating expenses under NGAAP. Under IFRS 15, this is accounted for as a reduction of revenue. The IFRS adjustments are mainly related to the consumer segment.

The table below sets out the Group's revenue by geographic area, as extracted from the IFRS Financial Statements, the Restated NGAAP Financial Information and the Interim Financial Statements.

Table 12 – Consolidated revenue by geographic area	**Year ended 31 December**				**Three-month period ended 31 March**	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS* Unaudited	**2020** *NGAAP Unaudited*	**2019** *NGAAP Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
EMEA	9,537	5,166	5,166	3,548	3,656	2,498
North America (USA and Canada)	23,635	15,406	17,331	12,037	5,287	3,794
Total revenue from contracts with customers	**33,172**	**20,572**	**22,496**	**15,585**	**8,943**	**6,292**

10 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 4 "General Information", Section 7 "Business of the Group", Section 9 "Selected Financial and Other Information" and the Consolidated Financial Statements, including related notes, included in Appendix B (IFRS 2021 and 2020), Appendix C (NGAAP 2020 and 2019) and Appendix D (IAS 34 Q1 2022) of this Prospectus. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus.

10.1 Segment information for the Group for the years ended 2021, 2020 and 2019

The Group operates and manages three segments comprising Airthings for Consumer, Airthings for Business and Airthings for Professionals.

Airthings for Consumer offers a range of top-of-the-line air quality monitors to anyone who wants to create and maintain a healthy home environment. The segment is experiencing high demand for its products, which is reflected in a revenue growth of USD 6.9 million, or 36%, in 2021 from USD 19.2 million in 2020 to USD 26.1 million in 2021. Revenue grew by 26% in 2020, from USD 15.3 million in 2019. The largest market is currently in the United States.

Airthings for Business is the Group’s B2B segment, offering air quality solutions to schools, office buildings, and other commercial buildings. Launched in 2019, Airthings for Business has grown significantly over the last three years and sees strong momentum. The segment has achieved several recent wins and is well-positioned for further expansion and market penetration. Revenue in 2021 increased by USD 5.5 million, or 386%, from USD 1.4 million in 2020 to USD 6.9 million in 2021. Revenue in 2019 was USD 0.3 million. An increasing share of revenue in the Business segment is recurring revenue, based on a SaaS model.

Airthings for Professionals provides an NRPP/NRSB certified radon measurement device tailored toward home inspectors and radon professionals. Measurement professionals enjoy an easy-to-use application, coupled with a dashboard to organize their business. Revenue in the Airthings for Professionals segment grew by 44% in 2021 from USD 2.2 million in 2020 to USD 3.2 million in 2021. Revenue in 2019 was USD 0.2 million.

10.2 Key factors affecting the Group’s results of operations and financial performance

The Group’s operations and results of operations have been, and may continue to be, affected by a range of factors, many of which are beyond the Group's control. The factors that management believes have had a material effect on the Group's results of operations and financial performance during the periods under review, as well as those considered likely to have a material effect on its results of operations and financial performance in the future, are described in the following.

10.2.1 *Market Access*

The Group’s short- to medium-term prospects are not impacted by market access, as there remains significant untapped potential in the markets where the Group already operates and where the products are certified. Specifically, within the Airthings for Consumer segment there is considerable latent potential in the EMEA region, as sales for this segment have historically come mostly from North America. Conversely, for the Airthings for Business segment it is reversed, with sales having historically come from EMEA and the US representing a significant opportunity going forward. In the longer term, the Group's results are impacted by a continued ability to gain market access, certify its products in new countries, and establish distribution and retail partnerships. Given the Group’s track record on these fronts, including globally recognized partners such as Carrier, Schneider Electric, Amazon, and Home Depot, the Group has a strong basis for further growth.

10.2.2 *Revenue mix from sale of products and sales of services*

The Group has, since 2019, had significant focus on building out a SaaS component to its revenue base. Although still modest in nominal figures, the ARR[4] of USD 2.9 million achieved at the end of 2021 represented 132% growth from the prior year. The Group believes that SaaS’s share of total revenues will continue to grow mainly related

[4] ARR is considered as an alternative performance measure. Refer to Section 4.2.4 for further information.

to the Airthings for business segment. As a result, the Group's financial results will be impacted given that the gross margin on SaaS is considerably higher than on the sale of hardware products.

10.2.3 *Key personnel*

The Group's success depends on the services of highly qualified personnel and management, as the Group is dependent on such persons for the successful implementation of its products and services. Loss of key personnel and management could therefore have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

Similarly, the Group's future development is dependent on its ability to attract, retain and develop skilled personnel and to develop the level of expertise throughout the Group's organization. Should the Group be unable to attract and retain skilled personnel, this could therefore have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

10.2.4 *Component prices*

The Group's operations and results of operations were affected by a pressed semiconductor market and increased component prices during 2020 and 2021. Overall there are some signals of improvement for 2022 and beyond, however there still remains substantial uncertainty in regards to component availability and prices. For example, potential indirect effects from the war in Ukraine might lead to further increased component prices and may also affect the Group's ability to access necessary materials. If this risk materialized, it would likely have negative impacts to the Group's shorter-term and medium-term prospects.

10.2.5 *Technology development*

The Group's longer-term prospects are in part dependent on the Group ability to retain its technological and product offering edge. The Group has been recognized by multiple publications and organizations, including Time magazine and CES (International Consumer Electronics Show) for its product innovation and design. Maintaining this advantage will require a continued willingness by the Group to invest in product development and getting access to the right talent in terms of employees as noted in Section 10.2.3 "*Key personnel*" above. Inability on either, or both, of these fronts would have materially adverse effects on the longer-term business, cash flows, and financial condition of the Group.

10.2.6 *Foreign currency effects*

The Group is exposed to currency fluctuations due to the international nature of its operations. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency) and the Group's net investment in foreign subsidiaries. A significant part of revenues is denominated in USD, with a small portion in NOK, EUR and CAD. Most of its operating expenses are incurred in NOK. Further, the Group could also potentially be negatively affected by fluctuations in other currencies in the future. The Group does not currently hedge currency exposure with the use of financial instruments but monitors the net exposure over time.

10.2.7 *COVID-19*

The Group has so far seen limited business impact related to the COVID-19 pandemic as the consumer demand for its products has in some cases increased due to elevated air quality awareness. That said, with significant portions of the world now out of lock-down and moving past the pandemic, potential changes to overall consumer behaviour as it pertains to consumer electronic products more broadly could adversely affect the Group's shorter-term performance. In other instances, COVID-19 has led to a pressed semiconductor market which has resulted in increased component prices and delivery delays as production capacity has been held back by component shortage. Also, the pandemic has led to slowed retail store roll-out and limited access to buildings for the Business segment. The Board continues to monitor the situation carefully to ensure appropriate measures are taken as the situation continues to unfold during 2022.

10.3 Recent developments and trends

Airtight acquisition

The Airtight acquisition fast-forwarded the Group's focus and understanding on how air quality monitoring can save energy in buildings. However, after a thorough pilot process the Group has decided to not sell Airtight hardware as a separate product, but rather continue to help customers achieve energy savings through current

Airthings for Business solution. Airthings sees major optimization opportunities to make existing buildings both smarter and more energy efficient, and the insights gleaned from the differential pressure concept will inform R&D efforts for the Airthings for Business portfolio going forward. No changes to the Group's long-term prospects, in terms of the 2024 financial goals and beyond, are expected due to this development. In 2Q this will result in a one-time cost of USD 1.9 million as the Group write down (derecognize) USD 1.6 million of the technology specifically related to Airthight hardware product/project and USD 0.3 million of the related inventory.

War in Ukraine

The Russian invasion of Ukraine on 24 February 2022 has created uncertainty regarding the development of the global economy. The war does currently not impact the Group directly, as it has no operating presence in either Russia, Belarus or Ukraine. Indirect effects however, such as financial market volatility, sanction-related knock-on effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

The Group has not experienced any significant changes in financial performance from 31 December 2021 and to the date of this Prospectus beyond the guiding for the 2Q 2022 financial results.

10.3.1 *Inflation*

As reflected by substantial increases in inflation indexes, overall price increases in key markets, such as the United States and Europe that the Group operates in poses a potential challenge to Group performance in the shorter-term. While the price increases, beyond components, have limited direct impact on the Group's operations their effect on consumer behavior could be notable in 2022, and potentially beyond, as larger portions of consumers' discretionary spending is used on food, electricity, and gasoline. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

10.3.2 *Component prices*

The Group's operations and results of operations were affected by a pressed semiconductor market and increased component prices during 2020 and 2021. Overall there are some signals of improvement for 2022 and beyond, however there still remains substantial uncertainty in regards to component availability and prices. For example, potential indirect effects from the war in Ukraine might lead to further increased component prices and may also affect the Group's ability to access necessary materials. If this risk materialized, it would likely have negative impacts to the Group's shorter-term and medium-term prospects.

10.4 Results of operations

10.4.1 *Description of income statement line items*

Set forth below is a brief description of the composition of certain line items of the Group's income statement.

Total revenue and other operating income

The Group's revenue is mainly generated from the sale of air quality sensors, in addition to SaaS contracts where software is licensed on a subscription basis, normally over 12 months, and centralized on the Airthings technology platform. Other sources of revenue include calibration services delivered in connection with a solution to the business or professional market, in addition to equipment rental income such as Corentium Pro in the Professional segment.

Employee benefit expenses

Employee benefit expenses include costs such as salaries paid to employees, social security costs, pension costs, share-based payment expenses and other employee expenses.

Other operating expenses

Other operating expenses represent a broad range of operating expenses incurred by the Group in its day-to-day activities and consist mainly of expenses related to marketing and external services.

Operating profit or loss before depreciation and amortization (EBITDA)[5]

Operating profit or loss before depreciation and amortization consists of operating revenue deducted for total operating expenses before depreciation and amortization.

Depreciation and amortization

Depreciation and amortization consist of depreciation and amortization associated with the Group's intangible assets, leased assets, furniture and equipment and rental instruments.

Operating profit or loss (EBIT)

Operating profit (loss) after depreciation and amortization.

Net financial items

Net financial items mainly consist of net foreign exchanges gains and losses, in addition to interest on lease liabilities and other financial expenses.

Income tax

Income tax consists of any current income tax in accordance with the Group's tax returns and deferred taxes.

Profit (loss) for the year

Profit (loss) for the year is the Group's operating result after deducting net financial items and income tax.

10.4.2 *Results of operations for the three-month period ended 31 March 2022 compared to the three-month period ended 31 March 2021*

Table 13 - Consolidated statement of profit or loss	**Three-month period ended 31 March**		
(Amounts in USD thousands)	**2022** *IAS 34* *Unaudited*	**Change in %**	**2021** *IAS 34* *Unaudited*
Total revenue and other operating income	**9,062**	**41%**	**6,407**
Costs of goods sold	3,735	44%	2,596
Employee benefit expenses	4,432	33%	3,330
Other operating expenses	4,329	39%	3,126
Operating profit or loss before depreciation and amortization (EBITDA)	**(3,434)**	**(30)%**	**(2,645)**
Depreciation and amortization	375	29%	291
Operating profit or loss (EBIT)	**(3,809)**	**(30)%**	**(2,935)**
Net financial items	(288)	(70)%	(170)
Income tax expense	(966)	598%	194
Profit (loss) for the year	**(3,131)**	**5%**	**(3,299)**

Total revenue and other operating income

Total revenue and other operating income for the three-month period ended 31 March 2022 increased by USD 2.7 million, or 41%, from USD 6.4 million for the three-month period ended 31 March 2021 to USD 9.1 million for the three-month period ended 31 March 2022. The increase was mainly driven by the Consumer and Business segments which each delivered solid increases year-on-year. Revenue growth in the Business segment was mainly driven by a sizeable school campaign in the Netherlands where approximately 4,000 devices were sold in the quarter. In the Consumer segment market demand remained strong in Q1 2022 with over 9,000 Corentium Home devices being sold from Amazon US as a part of the "Deal of the Day" campaign. Total revenue growth was somewhat offset by the Professional segment which fell short of expectations by approximately USD 0.4 million due to a slow home inspection market in the first quarter of 2022.

Cost of goods sold

Cost of goods sold for the three-month period ended 31 March 2022 increased by USD 1.1 million, or 44%, from USD 2.6 million for the three-month period ended 31 March 2021 to USD 3.7 million for the three-month period

[5] EBITDA is considered an alternative performance measure. Reference is made to Section 4.2.4 for further information.

ended 31 March 2022. The increase was primarily related to the growth in revenue of 41%, in addition to changes in the product and channel mix in the Consumer segment and increased component prices.

Employee benefit expenses

Employee benefit expenses for the three-month period ended 31 March 2022 increased by USD 1.1 million, or 33%, from USD 3.3 million for the three-month period ended 31 March 2021 to USD 4.4 million for the three-month period ended 31 March 2022. The increase was primarily driven by the increased number of employees. In Q1 2022, the Group had 148 employees, compared to 113 employees in Q1 2021.

Other operating expenses

Other operating expenses for the three-month period ended 31 March 2022 increased by USD 1.2 million, or 39%, from USD 3.1 million for the three-month period ended 31 March 2021 to USD 4.3 million for the three-month period ended 31 March 2022. The change correlates with the Group's increased activity and was mainly due to increased freight costs of USD 0.4 million, increased marketing costs of USD 0.3 million and increased costs related to external services of USD 0.2 million.

Operating profit or loss before depreciation and amortization (EBITDA)[6]

EBITDA for the three-month period ended 31 March 2022 decreased by USD 0.8 million, or 30%, from a negative EBITDA of USD 2.6 million for the three-month period ended 31 March 2021 to a negative EBITDA of USD 3.4 million for the three-month period ended 31 March 2022. The reduced EBITDA was primarily driven by the increase in costs of goods sold, employee expenses and other operating expenses as described above.

Depreciation and amortization

Depreciation and amortization for the three-month period ended 31 March 2022 increased by USD 0.1 million, or 29%, from USD 0.3 million for the three-month period ended 31 March 2021 to USD 0.4 million for the three-month period ended 31 March 2022.

Operating profit or loss (EBIT)

Operating loss for the three-month period ended 31 March 2022 decreased by USD 0.9 million, or 30%, from an operating loss of USD 2.9 million for the three months ended 31 March 2021 to an operating loss of USD 3.8 million for the three-month period ended 31 March 2022. The decrease was primarily due to the reasons explained above.

Net financial items

For the three-month period ended 31 March 2022, the Group had a net financial expense of USD 0.3 million, compared to a net financial expense of USD 0.2 million for the three-month period ended 31 March 2021, and mainly related to exchange rate fluctuations between USD and NOK and interest expense on the IFRS 16 lease liability.

Income tax expense

Income tax expense for the three-month period ended 31 March 2022 was USD 1.0 million, compared to a tax income of USD 0.2 million for the three-month period ended 31 March 2021.

Profit (loss) for the year

The Group's loss for the three-month period ended 31 March 2022 was USD 3.1 million, compared to a loss of USD 3.3 million for the three-month period ended 31 March 2021. The decreased loss of USD 0.2 million, or 5%, was primarily driven by an increased tax expense of USD 0.8 million.

[6] EBITDA is considered an alternative performance measure. Reference is made to Section 4.2.4 for further information.

10.4.3 *Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020 (IFRS)*

Table 14 - Consolidated statement of profit or loss	**Year ended 31 December**		
(Amounts in USD thousands)	**2021** *IFRS* Audited	**Change in %**	**2020** *IFRS* Unaudited
Total revenue and other operating income	**33,699**	**60%**	**21,016**
Costs of goods sold	13,041	72%	7,576
Employee benefit expenses	15,127	66%	9,094
Other operating expenses	13,566	49%	9,132
Operating profit or loss before depreciation and amortization (EBITDA)	**(8,035)**	**(68)%**	**(4,786)**
Depreciation and amortization	1,335	81%	736
Operating profit or loss (EBIT)	**(9,371)**	**(70)%**	**(5,522)**
Net financial items	55	108%	(653)
Income tax expense	(2,055)	1%	(2,044)
Profit (loss) for the year	**(7,261)**	**(76)%**	**(4,131)**

Total revenue and other operating income

Total revenue and other operating income for the year ended 31 December 2021 increased by USD 12.7 million, or 60%, from USD 21.0 million for the year ended 31 December 2020 to USD 33.7 million for the year ended 31 December 2021. The increase was primarily driven by higher sales revenues across all three segments. The Consumer segment made strong process in 2021, despite significant supply limitations, with major expansion of retail sales channels into thousands of Home Depot, Walmart, and CVS pharmacy stores in the United States. Airthings for Business made incredible advances in 2021, with the large contract for schools in Quebec boosting revenue in the fourth quarter.

Cost of goods sold

Costs of goods sold for the year ended 31 December 2021 increased by USD 5.5 million, or 72%, from USD 7.6 million for the year ended 31 December 2020 to USD 13.0 million for the year ended 31 December 2021. The increase related to the growth in total revenue and other operating income of 60%, in addition to increased component prices resulting from a pressed semiconductor market.

Employee benefit expenses

Employee benefit expenses for the year ended 31 December 2021 increased by USD 6.0 million, or 66%, from USD 9.1 million for the year ended 31 December 2020 to USD 15.1 million for the year ended 31 December 2021. The increase reflects the ongoing global expansion and more sales, marketing and R&D personnel.

Other operating expenses

Other operating expenses for the year ended 31 December 2021 increased by USD 4.4 million, or 49%, from USD 9.1 million for the year ended 31 December 2020 to USD 13.6 million for the year ended 31 December 2021. The change was mainly due to increased costs from external services of USD 1.6 million, increased marketing costs of USD 1.4 million, in addition to increased freight costs of USD 0.6 million.

Operating profit or loss before depreciation and amortization (EBITDA)[7]

EBITDA for the year ended 31 December 2021 decreased by USD 3.2 million, or 68%, from a negative EBITDA of USD 4.8 million for the year ended 31 December 2020 to a negative EBITDA of USD 8.0 million for the year ended 31 December 2021. The decrease was primarily driven by increased operating expenses as described above.

Depreciation and amortization

Depreciation and amortization for the year ended 31 December 2021 increased by USD 0.6 million, or 81%, from USD 0.7 million for the year ended 31 December 2020 to USD 1.3 million for the year ended 31 December 2021.

[7] EBITDA is considered an alternative performance measure. Reference is made to Section 4.2.4 for further information.

The increase was mainly due to office expansion (depreciation of right-of-use assets) and increases in production tools.

Operating profit or loss (EBIT)[8]

Operating loss for the year ended 31 December 2021 decreased by USD 3.8 million, or 70%, from an operating loss of USD 5.5 million for the year ended 31 December 2020 to an operating loss of USD 9.4 million for the year ended 31 December 2021. The decrease was due to the reasons explained above.

Net financial items

For the year ended 31 December 2021, the Group had net financial income of USD 0.1 million, compared to a net financial expense of USD 0.7 million for the year ended 31 December 2020. The change mainly related to the impact of exchange rate fluctuations between USD and NOK.

Income tax expense

Income tax expense for the year ended 31 December 2021 was USD 2.1 million compared to USD 2.0 million for the year ended 31 December 2020.

Profit (loss) for the year

The Group's loss for the year ended 31 December 2021 was USD 7.3 million, compared to a loss of USD 4.1 million for the year ended 31 December 2020. The increased loss of USD 3.1 million, or 76%, was mainly driven by the increase in cost of goods sold, employee benefit expenses and other operating expenses as commented further above.

10.4.4 *Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019 (NGAAP)*

Table 15 - Consolidated statement of profit or loss	**Year ended 31 December**		
(Amounts in USD thousands)	**2020** *NGAAP Unaudited Restated*[1]	**Change in %**	**2019** *NGAAP Unaudited Restated*[1]
Total revenue and other operating income	**22,941**	**40%**	**16,389**
Costs of goods sold	7,576	70%	4,453
Employee benefit expenses	9,094	54%	5,918
Other operating expenses	11,510	47%	7,816
Operating profit or loss before depreciation and amortization (EBITDA)	**(5,239)**	**(191)%**	**(1,797)**
Depreciation and amortization	509	546%	79
Operating profit or loss (EBIT)	**(5,748)**	**(206)%**	**(1,876)**
Net financial items	(504)	(463)%	(89)
Income tax expense	(2,017)	345%	(453)
Profit (loss) for the year	**(4,235)**	**(180)%**	**(1,512)**

[1]The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation".

Total revenue and other operating income

Total revenue and other operating income for the year ended 31 December 2020 increased by USD 6.6 million, or 40%, from USD 16.4 million for the year ended 31 December 2019 to USD 22.9 million for the year ended 31 December 2020. The increase was mainly driven by a solid growth in sales revenue across all three segments, especially within the Airthings for Business segment, enabled by expanded sales coverage, marketing and new features like Virus Risk Indication and CO2 Alert. The Consumer segment successfully released two new hardware products, Hub and House Kit, as well as the Mold Risk Indicator feature which greatly increased Wave Mini sales.

Cost of goods sold

Costs of goods sold for the year ended 31 December 2020 increased by USD 3.1 million, or 70%, from USD 4.5 million for the year ended 31 December 2019 to USD 7.6 million for the year ended 31 December 2020. The increase was partially driven by the growth in revenue of 40%, in addition to a change in product mix in the Consumer segment. The Group released two new hardware products, as well as the Mold Risk Indicator, in the Consumer segment during 2020. The increase in cost of goods sold was also partially due to a higher share of

[8] EBIT is considered an alternative performance measure. Reference is made to Section 4.2.4 for further information.

product sales in the Airthings for Business segment for which the up-front hardware revenue has a lower margin, while the recurring service revenue has a higher margin.

Employee benefit expenses

Employee benefit expenses for the year ended 31 December 2020 increased by USD 3.2 million, or 54%, from USD 5.9 million for the year ended 31 December 2019 to USD 9.1 million for the year ended 31 December 2020. The increase in employee benefit expenses was due to planned expansion, where investments in the Airthings for Business segment salesforce was a significant contributor.

Other operating expenses

Other operating expenses for the year ended 31 December 2020 increased by USD 3.7 million, or 47%, from USD 7.8 million for the year ended 31 December 2019 to USD 11.5 million for the year ended 31 December 2020. The change was primarily driven by increased marketing expenses of USD 2.1 million, in addition to private placement and listing fees of USD 0.9 million.

Operating profit or loss before depreciation and amortization (EBITDA)

EBITDA for the year ended 31 December 2020 decreased by USD 3.4 million, or 191%, from a negative EBITDA of USD 1.8 million for the year ended 31 December 2019 to a negative EBITDA of USD 5.2 million for the year ended 31 December 2020. The decrease was primarily driven by higher operating expenses as described above.

Depreciation and amortization

Depreciation and amortization for the year ended 31 December 2020 increased by USD 0.4 million, or 546%, from USD 0.1 million for the year ended 31 December 2019 to USD 0.5 million for the year ended 31 December 2020. The increase was primarily driven by amortization of goodwill from the Airtight acquisition in addition to investment in production tools.

Operating profit or loss (EBIT)

Operating loss for the year ended 31 December 2020 decreased by USD 3.9 million, or 206%, from an operating loss of USD 1.9 million for the year ended 31 December 2019 to an operating loss of USD 5.7 million for the year ended 31 December 2020. The decrease was primarily driven by the reasons explained above.

Net financial items

For the year ended 31 December 2020, the Group had a net financial expense of USD 0.5 million, compared to a net financial expense of USD 0.1 million for the year ended 31 December 2019.

Income tax expense

Income tax expense for the year ended 31 December 2020 was USD 2.0 million compared to USD 0.5 million for the year ended 31 December 2019.

Profit (loss) for the year

The Group's loss for the year ended 31 December 2020 was USD 4.2 million, compared to a loss of USD 1.5 million for the year ended 31 December 2019. The increased loss of USD 2.7 million, or 180%, was mainly driven by the increase in cost of goods sold, employee benefit expenses and other operating expenses as commented further above.

10.5 Financial position

10.5.1 *Description of balance sheet line items*

Set out below is a brief description of the composition of certain line items of the Group's consolidated balance sheet statement. The description should be read in connection with the significant accounting policies in this Section and in the disclosures to the Financial Statements attached hereto as Appendix B, C and D.

Total non-current assets

Total non-current assets mainly comprise goodwill and intangible assets (mainly acquired technology), in addition to right-of-use assets (mainly office buildings) and deferred tax assets.

Total current assets

Total current assets mainly comprise cash and cash equivalents, in addition to inventories and trade receivables.

Total assets

Total assets are the sum of total non-current and total current assets.

Total equity

Total equity is the sum of contributed capital (share capital and share premium), translation differences and retained earnings.

Total non-current liabilities

Total non-current liabilities mainly comprise non-current lease liabilities related to the Group's leasing of office buildings and office equipment.

Total current liabilities

Total current liabilities mainly comprise trade and other payables, in addition to provisions for salary related costs and social security for the Group's share-based payments.

Total liabilities

Total liabilities are the sum of total non-current and total current liabilities.

10.5.2 *Financial position as of 31 March 2022 compared to 31 December 2021*

Table 16 – Compare financial information ~~position~~ 31 March 2022 vs 31 December 2021	**As of 31 March 2022**		**As of 31 December 2021**
(Amounts in USD thousands)	*IAS 34 Unaudited*	**Change in %**	*IFRS Audited*
Total non-current assets	17,377	6%	16,339
Total current assets	62,879	(7)%	67,342
Total assets	**80,256**	**(4)%**	**83,680**
Total equity	65,465	(4)%	67,842
Total non-current liabilities	4,317	(12)%	4,892
Total current liabilities	10,473	(4)%	10,946
Total liabilities	**14,791**	**(7)%**	**15,838**
Total equity and liabilities	**80,256**	**(4)%**	**83,680**

The Group had total assets of USD 80.3 million as of 31 March 2022, compared to USD 83.7 million as of 31 December 2021. Total non-current assets as of 31 March 2022 was USD 17.4 (31 December 2021: USD 16.3 million), mainly comprising deferred tax assets of USD 5.5 million (31 December 2021: USD 4.5 million), goodwill of USD 3.2 million (31 December 2021: USD 3.2 million) related to the acquisition of Airtight in 2020, right-of-use assets of USD 4.2 million (31 December 2021: USD 4.2 million) and intangible assets of USD 2.9 million (31 December 2021: USD 2.5 million). The increase in non-current assets was primarily driven by an increase in deferred tax assets of USD 1.1 million.

Total current assets as of 31 March 2022 was USD 62.9 million (31 December 2021: USD 67.3 million), and mainly comprised of cash and cash equivalents of USD 35.6 million (31 December 2021: USD 42.2 million) inventories of USD 12.9 million (31 December 2021: USD 11.4 million) and trade receivables of USD 10.3 million (31 December 2021: USD 11.9 million). The decrease in cash and cash equivalents was primarily driven by operating losses as the Group follows its strategic growth plan, as well as due to changes in working capital stemming from a successful build-up of inventories, and overall increase in receivables driven primarily by pre-payments on components to secure supply, and a decline in accounts payable.

Total equity decreased from USD 67.8 million as of 31 December 2021 to USD 65.5 million as of 31 March 2022. The decrease was primarily driven by negative results in the first quarter of 2022, somewhat offset by proceeds from share issue of USD 0.1 million in connection with the Group's employee option program, in addition to cumulative translation differences of USD 0.5 million.

The Group had total liabilities of USD 14.8 million as of 31 March 2022, compared to USD 15.8 million as of 31 December 2021. Total non-current liabilities as of 31 March 2022 was USD 4.3 million (31 December 2021: 4.9 million), comprising non-current lease liabilities of USD 3.6 million (31 December 2021: 3.8 million), in addition to non-current provisions of USD 0.7 million (31 December 2021: USD 1.1 million) related to provision for accrued social security on share options.

Total current liabilities as of 31 March 2022 was USD 10.5 million (31 December 2021: USD 10.9 million), mainly comprising trade and other payables of USD 7.2 million (31 December 2021: USD 7.0 million) and current provisions of USD 1.6 million (31 December 2021: 2.3 million) primarily related to provision for accrued holiday pay, accrued bonuses and other salary related accruals.

10.5.3 *Financial position as of 31 December 2021 compared to 31 December 2020*

Table 17 – Compare financial position 2021 vs 2020	**As at 31 December**		
(Amounts in USD thousands)	**2021** *IFRS* *Audited*	**Change in %**	**2020** *IFRS* *Unaudited*
Total non-current assets	16,339	14%	14,298
Total current assets	67,342	(12)%	76,678
Total assets	**83,680**	**(8)%**	**90,976**
Total equity	67,842	(11)%	76,648
Total non-current liabilities	4,892	(3)%	5,028
Total current liabilities	10,946	18%	9,300
Total liabilities	**15,838**	**11%**	**14,327**
Total equity and liabilities	**83,680**	**(8)%**	**90,976**

The Group had total assets of USD 83.7 million as of 31 December 2021, compared to USD 91.0 million as of 31 December 2020. Total non-current assets as of 31 December 2021 was USD 16.3 million (31 December 2021: USD 14.3 million), mainly comprising of deferred tax assets of USD 4.5 million (31 December 2020: USD 3.0 million), goodwill of USD 3.2 million (31 December 2020: USD 3.3 million) related to the acquisition of Airtight in 2020, right-of-use assets of USD 4.2 million (31 December 2020: USD 3.6 million) and intangible assets of USD 2.5 million (31 December 2020: USD 2.3 million). The increase in non-current assets was primarily driven by an increase in deferred tax assets of USD 1.6 million, and also partially by office expansion leading to an increase in right-of-use assets of USD 0.7 million.

Total current assets as of 31 December 2021 was USD 67.3 million (31 December 2020: USD 76.7 million), and mainly comprised of cash and cash equivalents of USD 42.2 million (31 December 2020: USD 62.9 million), inventories of USD 11.4 million (31 December 2020: USD 4.7 million) and trade receivables of USD 11.8 million (31 December 2020: USD 7.0 million). The decrease in cash and cash equivalents of USD 20.8 million was primarily driven by the Group’s strategy to invest in growth, resulting in increased marketing and sales costs and increased spending to secure inventory in a globally tight semiconductor-market, which is reflected in the growth in inventories of USD 6.7 million.

Total equity decreased from USD 76.6 million as of 31 December 2020 to USD 67.8 million as of 31 December 2021. The decrease was primarily the result of negative loss in 2021 and cumulative translation losses of USD 2.4 million.

The Group had total liabilities of USD 15.8 million as of 31 December 2021, compared to USD 14.3 million as of 31 December 2020. Total non-current liabilities as of 31 December 2021 was USD 4.9 million (31 December 2020: 5.0 million), comprising of non-current lease liabilities of USD 3.8 million (31 December 2020: USD 3.2 million), in addition to non-current provisions of USD 1.1 million (31 December 2020: USD 1.4 million) related to provision for accrued social security on share options.

Total current liabilities as of 31 December 2021 was USD 10.9 million (31 December 2020: USD 9.3 million), mainly comprising trade and other payables of USD 7.0 million (31 December 2020: USD 4.1 million) and current provisions of USD 2.3 million (31 December 2020: 2.4 million), primarily related to provision for accrued holiday pay, accrued bonuses and other salary related accruals as a result of increased number of employees. The increase in total current liabilities was primarily driven by an increase in trade and other payables of USD 2.9 million, somewhat offset by the change in current interest-bearing debt of USD 1.9 million which was repaid in January 2021.

10.5.4 *Financial position as of 31 December 2020 compared to 31 December 2019*

Table 18 – Compare financial position 2020 vs 2019	**As at 31 December**		
(Amounts in USD thousands)	**2020** *NGAAP Unaudited Restated[1]*	**Change in %**	**2019** *NGAAP Unaudited Restated[1]*
Total non-current assets	10,234	732%	1,230
Total current assets	76,678	406%	15,154
Total assets	**86,912**	**430%**	**16,383**
Total equity	77,367	596%	11,109
Total non-current liabilities	1,785	(12)%	2,037
Total current liabilities	7,761	140%	3,236
Total liabilities	**9,545**	**81%**	**5,274**
Total equity and liabilities	**86,912**	**430%**	**16,383**

[1]*The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation".*

The Group had total assets of USD 86.9 million as of 31 December 2020, compared to USD 16.4 million as of 31 December 2019. Total non-current assets as of 31 December 2020 was USD 10.2 million (31 December 2019: USD 1.2 million), mainly comprising of goodwill of USD 3.1 million (31 December 2019: nil), deferred tax assets of USD 2.7 million (31 December 2019: USD 0.5 million) and intangible assets of USD 2.3 million (31 December 2019: USD 0.4 million). The increase in goodwill and intangible assets was due to the acquisition of Airtight.

Total current assets as of 31 December 2020 was USD 76.7 million (31 December 2019: USD 15.2 million), and mainly comprised of cash and cash equivalents of USD 62.9 million (31 December 2019: USD 5.6 million), trade receivables of USD 7.0 million (31 December 2019: USD 4.6 million) and inventories of USD 4.7 million (31 December 2019: USD 3.3 million). The significant increase in cash and cash equivalents was primarily driven by the private placement completed in October 2020 where the Group raised USD 55.5 million, but reduced by transaction costs and operating losses.

Total equity increased from USD 11.1 million as of 31 December 2019 to USD 77.4 million as of 31 December 2020. The increase was primarily driven by the private placement as described above. Transaction costs of USD 3.6 million were recognized as reduction of equity.

The Group had total liabilities of USD 9.5 million as of 31 December 2020, compared to USD 5.3 million as of 31 December 2019. Total non-current liabilities as of 31 December 2020 was USD 1.8 million (31 December 2019: USD 2.0 million), mainly comprising of non-current provisions of USD 1.4 million (31 December 2019: nil) related to provision for accrued social security on share options. As of 31 December 2019, the Group had non-current interest-bearing debt from two loan agreements with DNB and Innovation Norway of USD 2.0 million. Both loans were repaid in January 2021 and were thus recorded as current interest-bearing debt as of 31 December 2020.

Total current liabilities as of 31 December 2020 was USD 7.8 million (31 December 2019: USD 3.2 million), mainly comprising trade and other payables of USD 4.1 million (31 December 2019: USD 2.3 million), current provisions of USD 1.3 million (31 December 2019: 0.9 million), primarily related to provision for accrued holiday pay, accrued bonuses and other salary related accruals, in addition to current interest-bearing debt from loan agreements with DNB and Innovation Norway of USD 1.9 million (31 December 2019: nil).

10.6 Liquidity and capital resources

10.6.1 *Sources of liquidity*

The Group's primary source of liquidity in 2021 and up to 31 March 2022 has been cash and cash equivalents. As of 31 March 2022, total equity was USD 65.5 million, corresponding to an equity ratio of 82%. This compares to a total equity of USD 67.8 million and an equity ratio of 81% as of 31 December 2021.

There has been no material change in the Group's capital resources since 31 December 2021 and until the date of this Prospectus.

10.6.2 *Restrictions on use of capital*

The Group does not have any restrictions on use of capital that can have a material impact on the Group's operations. As at the date of this Prospectus, the Group is not involved in any financing agreements. See Section 11.6.7 "*Financing Agreements*" for further information.

10.6.3 *Summarized cash flow information*

The following table presents financial information extracted from the Group's historical cash flows for the years ended 31 December 2021, 2020 and 2019 and for the three-month period ended 31 March 2022 and 2021.

Table 19 - Statement of cash flows	**Year ended 31 December**				**Three-month period ended 31 March**	
(In NOK thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020** *NGAAP Unaudited Restated*[1]	**2019** *NGAAP Unaudited Restated*[1]	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Cash flow from operating activities	(15,879)	(4,412)	(4,893)	(3,810)	(6,400)	(2,533)
Cash flow from investing activities	(968)	(1,914)	(1,914)	(503)	(620)	(210)
Cash flow from financing activities	(2,560)	64,971	65,422	8,558	(126)	(2,023)
Net change in cash and cash equivalents	**(19,407)**	**58,644**	**58,614**	**4,245**	**(7,146)**	**(4,766)**
Cash and cash equivalents end of period	**42,174**	**62,943**	**62,943**	**5,589**	**35,607**	**58,413**

[1]*The restated financial information is further commented in Section 9.1 "Introduction and basis for preparation".*

10.6.4 *The three-month period ended 31 March 2022 compared to the three-month ended 31 March 2021*

Net cash flow from operating activities

Net cash outflow from operating activities for the three-month period ended 31 March 2022 was negative USD 6.4 million, compared to a net cash outflow of negative USD 2.5 million for the three-month period ended 31 March 2021. The change was driven by a higher negative loss, in addition to negative working capital due to increase in inventories and provisions of USD 1.5 million and USD 1.2 million respectively.

Net cash flow from investing activities

Net cash used in investing activities for the three-month period ended 31 March 2022 was negative USD 0.6 million, compared to negative USD 0.2 million for the three-month period ended 31 March 2021. The change was due to an increase in development expenditures of USD 0.3 million, in addition to an increase in purchase of property, plant and equipment of USD 0.1 million.

Net cash flow from financing activities

Net cash flow from financing activities for the three-month period ended 31 March 2021 was negative USD 0.1 million, compared to negative USD 2.0 million for the three-month period ended 31 March 2021. The net cash flow from financing activities in the first quarter of 2021 mainly reflects the full settlement of the Group's interest-bearing debt through the loan agreements with DNB and Innovation Norway of USD 1.9 million in January 2021.

10.6.5 *The financial year ended 31 December 2021 (IFRS) compared to the financial year ended 31 December 2020 (IFRS)*

Net cash flow from operating activities

Net cash flow from operating activities for the year ended 31 December 2021 was negative USD 15.9 million, compared to negative USD 4.4 million for the year ended 31 December 2020. The increase in cash outflow was driven by a planned expansion which generated a loss before tax of USD 9.3 million and increasing working capital requirements. The latter was accentuated by the increased spending to secure inventory in a globally tight semiconductor market. Prior to 2022, the Group has expensed a significant portion of internal R&D expenses, which partially, in addition to negative results, explains the negative operating cash flow. Total research expenses in 2021 were USD 8 million (net of cost reduction from SkatteFUNN of USD 0.3 million), compared to USD 5 million in 2020 (net of cost reduction from SkatteFUNN of USD 0.1 million).

Net cash flow from investing activities

Net cash flow from investing activities for the year ended 31 December 2021 was negative USD 1.0 million, compared to negative USD 1.9 million for the year ended 31 December 2020. In August 2020 the Group acquired 100% of the voting shares of the software company Airtight AS. The net cash flow from the acquisition was negative USD 1.3 million.

Net cash flow from financing activities

Net cash flow from financing activities for the year ended 31 December 2021 was negative USD 2.6 million, compared to USD 65.0 million for the year ended 31 December 2020. The significant change was primarily driven by the private placement completed in October 2020 in connection with the listing of Airthings ASA at Euronext Growth, where the Group raised USD 55.5 million. In addition, the Group repaid interest-bearing debt of USD 1.9 million in January 2021.

10.6.6 *The financial year ended 31 December 2020 compared to the financial year ended December 2019 (NGAAP)*

Net cash flow from operating activities

Net cash flow from operating activities for the year ended 31 December 2020 was negative USD 4.9 million, compared to negative USD 3.8 million for the year ended 31 December 2019. The change was mainly driven by negative operating results, as well as increased working capital as a result of company growth. Prior to 2022, the Group has expensed a significant portion of internal R&D expenses, which partially, in addition to negative results, explains the negative operating cash flow. Total research expenses in 2021 were USD 8.0 million (net of cost reduction from SkatteFUNN of USD 0.3 million).

Net cash flow from investing activities

Net cash flow from investing activities for the year ended 31 December 2020 was negative USD 1.9 million, compared to negative USD 0.5 million for the year ended 31 December 2019. The change was primarily driven by the net proceeds paid related to the Airtight acquisition (USD 1.3 million) as described above, in addition to increased development expenditures of USD 0.3 million.

Net cash flow from financing activities

Net cash flow from financing activities for the year ended 31 December 2020 was USD 65.4 million, compared to USD 8.6 million for the year ended 31 December 2019. The significant change was primarily driven by the private placement in October 2020 as described above, in addition to change in long-term interest-bearing debt related to instalments on two growth loans. Both loans were repaid in full in January 2021.

10.6.7 *Financing arrangements*

As at the date of this Prospectus, the Group has no loan or other debt-financing in place. Instruments such as Factoring or Supply Chain Financing could be implemented to improve the Group's liquidity situation if needed. As at the date of this Prospectus, the Group sees, however, no need to implement the aforementioned solutions, given its strong liquidity position, but is continuously monitoring the situation.

10.6.8 *Investments in progress or for which firm commitments have already been made*

As at the date of this Prospectus, the Group does not have any material investments in progress, nor has it any firm commitments in respect of any material investments.

10.6.9 *Joint venture and undertakings*

The Group is currently not involved in any joint ventures or undertakings.

10.7 Related party transactions

The Group's related parties include major shareholders, the management team in the parent company. Related parties also include companies in which the individuals mentioned in this paragraph have significant influence. Refer to note 4.1, 6.7 and 7.1 in the IFRS Financial Statements (Appendix B) for information about the Group structure, details of shareholders and significant agreements and remuneration paid to management and the Board. All transactions with related parties are based on the principles of arm's length.

The table below provides the total amount of transactions and balances with related parties for the relevant financial periods.

Table 22-.1 – Related party transactions	Year ended 31 December				Three-month period ended 31 March	
(Amounts in USD thousands)	**2021** *IFRS Audited*	**2020** *IFRS Unaudited*	**2020**[1] *NGAAP Unaudited*	**2019**[1] *NGAAP Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Income from related parties	6,088	2,146	2,146	1,677	1,587	1,105
Payment to related parties	2,583	2,937	2,937	966	684	608

[1] *Note 10 - Related parties in the 2020 NGAAP Financial Statements includes income from Airthings America INC (subsidiary) of USD 3.7 million (2019: USD 2.0 million) related to sale of goods and loan interest, and payment to Airthings America INC of USD 0.1 million (2019: USD 1.5 million) related to purchase of services and cost allocation.*

Payments to related parties include remuneration paid to management and the Board, fees invoiced from Rabakken Invest AS, commissions and accrued cost invoiced from Rn222 Inc., and rent of premises from Energy Control AS. Income from related parties include sale of goods to Rn222 Inc. and Energy Control AS.

Table 22.2 – Related party balances	As at 31 December				As at 31 March	
(Amounts in USD thousands)	**2021** IFRS Audited	**2020** IFRS Unaudited	**2020**[1] *NGAAP Unaudited*	**2019**[1] *NGAAP Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Loans to related parties	41	3	3	21	30	8

[1] *Note 10 – Related parties in the 2020 NGAAP financial statements includes receivables on Airthings America INC (subsidiary) of USD 2.7 million (31 December 2019: USD 0.8 million) related to a long-term loan from Airthings ASA.*

Related party receivables are mainly related to prepaid salary to employees.

Below is a more specified description of some of the Group's related parties:

- Rn222 Inc. is a distributor of the Group's products in Canada. RN222 Inc. provides some consultancy services that are invoiced to the Group. The beneficial owner of RN222 Inc. was the leader of the Professional segment until February 2022, and hence, going forward, the RN222 Inc. will not be considered a related party to the Group.
- Energy Control AS is a shareholder of the Group and has provided consultancy services to Airthings ASA. The beneficial owner of Energy Control AS, Tommy Hagenes, is employed in the Group (Business Development Manager).
- Firda AS is the largest shareholder of the Group and is owned by Geir Førre (Board member).
- Rabakken Invest AS is a shareholder of the Group and has provided consultancy services to Airthings ASA.

10.8 Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS and the application of the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognized in the IFRS Financial Statements, are summarized below (references in parentheses are to relevant disclosures in the IFRS Financial Statements, included herein as Appendix B):

- Measurement of deferred tax assets (Note 2.8)
- Value in use calculations in relation to impairment testing of Goodwill (note 5.2)
- Estimating the fair value for share-based payment transactions (note 6.8)
- Determination of CGUs (note 5.2)

From January 2022, certain of the Group's internal development costs have been assessed by management to meet the criteria for capitalization under IAS 38 – *Intangible Assets.* Capitalization of development costs requires management to make accounting judgements which may have a significant effect on the amounts recognized in the Group's Financial Statements.

10.9 Trend information

Reference is made to Section 10.3 (*Recent developments and trends*) for a description of the most significant recent development and trends since 31 December 2021 and until the date of this Prospectus. Other than what is described in Section 10.3, the Group is not aware of any other significant changes in the trends related to production, sales or inventory, costs or selling prices in the period between 31 December 2021 and to the date of this Prospectus.

10.10 Significant changes in the issuer's financial performance

Reference is made to Section 10.2 (*Key factors affecting the Group's results of operations and financial performance*) for a description of the key factors affecting the Group's operating performance and 10.3 (*Recent developments and trends*) for recent developments and trends in this aspect. Other than the above-mentioned write down of USD 1.6 million of technology specifically related to to Airthight hardware product/project and USD 0.3 million of related inventory, there have been no significant changes in the Group's financial performance since 31 December 2021 and until the date of this Prospectus.

10.11 Environmental issues affecting the Group's utilization of the tangible fixed assets

As of the date of this Prospectus, the Group is not aware of any environmental issues that may have an effect on the utilization of any of the existing tangible fixed assets. Potential impacts of environmental issues are continuously considered in assessing whether assets may be impaired.

11 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The Company's highest decision-making authority is the General Meeting. All shareholders in the Company are entitled to attend or be presented by proxy and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO, is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

11.2 Board of Directors

11.2.1 *Overview*

The Company's Articles of Association provide that the Board of Directors shall consist of between 2 to 9 board members elected by the Company's shareholders. Please find details regarding the Company's members of the Board of Directors, as at the date of this Prospectus, in the table below:

Table 23 – Overview of the members of the Company's Board of Directors

Name	Position	Served since	Term expires	Shares	Options
Geir Førre	Chair	2015	2024	Yes(1)	No
Aksel Lund Svindal	Board Member	2019	2024	Yes(2)	Yes(2)
Liv Hege Dyrnes	Board Member	2020	2024	Yes(3)	No
Lars Boilesen	Board Member	2020	2024	Yes(4)	No
Emma Tryti	Board Member	2021	2024	No	No
Karin Berg	Board Member	2021	2024	No	No
Fredrik Thoresen	Board Member	2022	2024	Yes(5)	No
Anlaug Underdal	Board Member, Employee Representative	2020	2022	Yes(6)	Yes(6)
Tore Rismyhr	Board Member, Employee Representative	2020	2022	Yes(7)	Yes(7)

(1) 28,961,690 shares held through Firda AS.
(2) 1,141,978 shares held through A Management AS and 100,000 options held privately.
(3) 17,500 shares held privately.
(4) 100,000 shares held privately.
(5) 283,780 shares held through RWD AS.
(6) 51,000 shares and 62,800 options held privately.
(7) 164,300 shares and 57,030 options held privately.

The Company's registered office at Wergelandsveien 7, 0167 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

11.2.2 *Brief biographies of the Board of Directors*

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

Geir Førre – *Chair*

Geir Førre is a serial entrepreneur who founded and led Chipcon and Energy Micro, two successful Norwegian semiconductor companies from inception to exit. He was also the founding investor and Chairman of Prox Dynamics, who pioneered a whole new industry within Nano UAV helicopters. Førre serves as chairman in Disruptive Technologies and Zivid, and as board member in the Norwegian Research Council. Førre is educated at the Norwegian University of Science and Technology (MSSE – Microelectronics).

Current directorships and senior management positions…………………….	Zivid AS (chair), Monil AS (chair), Airthings ASA (board member), Firda AS (managing partner, CEO)

Previous directorships and senior management positions last five years……	Ardoq AS (chair), Disruptive Technologies ASA (chair / board member)

Aksel Lund Svindal – *Board member*

Aksel Lund Svindal has 15 years of experience with building culture in sport teams. He is a former alpine ski racer who has, inter alia, won five world championships and two Olympic golds. Mr. Lund Svindal has more than five years of experience with investing in startups and tech companies, and more than two years of experience with serving in the boards of such companies. He is co-founder of a VC fund, and currently serves as board member in VesselAdmin, DB Equipment (known for the trademark "Douchebags") and Disruptive Technologies. Mr. Lund Svindal is also part owner of a hotel in Hemsedal and of a real estate project in Hafjell.

Current directorships and senior management positions…………………….	Airthings ASA (chair), Db Equipment AS (board member), Kontur AS (board member), Squarhead Tech AS (board member), Firda AS (board member), Right to Play Norge (board member), Stiftelsen VI (board member), Longhousegroup AS (board member), Vanora AS (board member), Norselab F I AS (board member), Form Eiendom AS (board member), AlpinCo Gindoltoppen AS (board member), A Management AS (chair and CEO)
Previous directorships and senior management positions last five years……	Disruptive Technologies ASA (chair)

Liv Hege Dyrnes – *Board Member*

Liv Hege Dyrnes has more than 15 years of experience from banking and finance related positions within the maritime industry. She currently holds the position as Chief Financial Officer in Klaveness Combination Carriers ASA, a company listed on Oslo Børs, and also serves as board member of Cytovation ASA. Before joining Klaveness, Dyrnes worked for DNB Bank Shipping, Offshore and Logistics. She holds a Master of Science in Finance from the Norwegian School of Economics (NHH).

Current directorships and senior management positions…………………….	Cytovation ASA (board member), Klaveness Combination Carriers ASA (CFO)
Previous directorships and senior management positions last five years……	Torvald Klaveness (Klaveness AS) (CFO), Nordisk Skibsrederforening (board member)

Lars Boilesen – *Board Member*

Lars Boilesen has extensive experience in the international software and technology industry. He currently serves as Chief Executive Officer for the Norwegian-listed software company OtelloCorp ASA - former Opera Software which was sold to the Chinese consortium in 2016 under Lars Boilesen's leadership. Prior to becoming the CEO of Opera in 2010, Mr. Boilesen served as the company's Executive Vice President of Sales & Distribution from 2000 to 2005, and was on the Board of Directors from 2007 to 2009. Mr. Boilesen spent several years at Tandberg as head of the Northern Europe and Asian-Pacific markets and as Vice President of Worldwide Sales and Sales Director. He also served as CEO for the Nordic and Baltic Region at Alcatel-Lucent and as Marketing Manager for Eastern Europe in LEGO Group. Mr. Boilesen holds a Bachelor's Degree in Business Economics from Aarhus Business School, and a postgraduate diploma from Kolding Business School.

Current directorships and senior management positions……………………	Norwegian ASA (board member), Napatech ASA (chair), Cobuilder AS (chair), Auditdata A/S (chair), Otello Corporation ASA (CEO)
Previous directorships and senior management positions last five years……	N/A

Emma Tryti – *Board Member*

Emma Tryti is CEO of Kron, and has long experience from innovation management. She has, *inter alia*, been a management member of Vipps since its inception, as CCO Commerce and Invoice. Prior to joining Vipps, she worked with private equity transactions at Danske Bank Capital Markets, and has had several research and management positions within banking, finance and insurance, as well as in the sports industry. Emma holds a Bachelor of Science in Business and Economics and an MSc in economics with specialization in mathematics and finance from UWA, Australia.

Current directorships and senior management positions……………………	Airthings ASA (board member), Kron (CEO)
Previous directorships and senior management positions last five years……	N/A

Karin Berg – *Board Member*

Karin Berg is an experienced commercial leader with deep knowledge from consumer oriented businesses. Karin is currently chief growth officer in the technology and logistics start-up Wanda.space. Prior to this she was managing director B2C in Komplett group, and marketing director in Carlsberg. She has more than 6 years of management consulting experience from McKinsey and Bearingpoint, and has co-founded the online retail brand Berg & Berg. Karin holds an MSc in Economics from the Norwegian School of Economics (NHH).

Current directorships and senior management positions……………………	Airthings ASA (board member), Wanda.space (CGO)
Previous directorships and senior management positions last five years……	N/A

Fredrik Thoresen – *Board Member*

Fredrik has more than ten years of experience as an equity analyst in the technology sector from DNB Markets, Sector Asset Management and SEB. He also has four years of experience as a manager of two equity funds at Storebrand and now works as a Partner in Kvantia. He has his Masters of Business Administration (MBA) from the Middlebury Institute of International Studies at Monterey and will provide the board with expertise in investor relations and capital markets.

Current directorships and senior management positions……………………	Airthings ASA (board member)
Previous directorships and senior management positions last five years……	N/A

Anlaug Underdal – *Board Member, Employee Representative*

Anlaug Underdal has 8 years of experience as a software developer. She currently holds the position as Software Engineering Manager at Airthings. Before joining Airthings in 2017, Underdal worked for Netlight Consulting as a Software Engineer. She holds a master degree in Communication Technology from the Norwegian University of Science and Technology (NTNU).

Current directorships and senior management positions……………………	Airthings ASA (board member, employee representative)
Previous directorships and senior management positions last five years……	N/A

Tore Rismyhr – *Board Member, Employee Representative*

Tore H. Rismyhr serves as Sales Manager, Public sector at Airthings for Business. Rismyhr has a vast experience in sales, marketing and management through 25+ years in the Telecom/IT-sector (Telenor, Brightpoint, Ingram Micro). Prior to joining Airthings for Business, he has worked with Welfare technology and IoT-sales to the public sector. Mr. Rismyhr holds IATTO-certification from Norges Eksportskole and Marketing communication/Board competency at BI.

Current directorships and senior management positions……………………	Better Projects (board member)
Previous directorships and senior management positions last five years……	Sameiet Camilla Colletts vei 9 (board member), mHealth Norway AS (chair)

11.3 Management

11.3.1 *Overview*

The management of the Company consists of 8 individuals. Please find details regarding the Company's management, as at the date of this Prospectus, in the table below:

Table 24 – Overview of the members of the Company's management

Name	Position	Employed since	Shares	Options
Øyvind Birkenes	Chief Executive Officer (CEO)	2016	Yes(1)	Yes(1)
Erlend Bolle	Chief Product Officer (CPO)	2008	Yes(2)	Yes(2)
Lauren Pedersen	Chief Marketing Officer (CMO)	2020	Yes(3)	Yes(3)
Pål Berntsen	SVP, Airthings for Business	2019	Yes(4)	Yes(4)
Torje Carlsson	SVP, Consumer Products	2019	Yes(5)	Yes(5)
Audhild Andersen Randa	Chief Operating Officer (COO)	2021	Yes(6)	Yes(6)
Anita Øverbekk	Director of HR(7)	2019	No	No
Jeremy Michael Gerst	Chief Financial Officer (CFO)	2022	No	Yes(8)

(1) 370,580 shares held privately; 2,753,534 shares held through Longfellow Invest AS; and 1,786,600 options held privately.
(2) 4,819,722 shares and 70,000 options held privately.
(3) 383,621 shares held through Lato Invest AS, and 285 000 options held privately.
(4) 503,200 shares held through Dube AS, and 27 000 shares and 548 000 options held privately.
(5) 360,000 shares held through Carlsson Invest As and 761,200 options held privately.
(6) 32,500 shares held privately; 50,000 shares held through Frontra AS; and 120 000 options held privately.
(7) Anita Øverbekk is not employed by Airthings, but hired as a contract worker by Airthings from HR Management AS.
(8) 220,000 options held privately.

The Company's registered office, at Wergelandsveien 7, 0167 Oslo, Norway, serves as the business address for the members of the management in relation to their positions in the Company.

11.3.2 *Brief biographies of the members of management*

The following sets out a brief introduction to each of the members of the Company's management:

Øyvind Birkenes – *Chief Executive Officer (CEO)*

Øivind Birkenes is the Chief Executive Officer of Airthings. He has more than 23 years of industry experience. Prior to joining Airthings, Mr. Birkenes served as General Manager and Product Line Manager of the Low Power Wireless business at Texas Instruments in the period from 2011 to 2016. He holds a Master of Science in Electrical Engineering from the University of Minnesota, Minneapolis.

Current directorships and senior management positions……………………..	Nordic Semiconductor ASA (board member), Smart Cylinders (board member), Monil AS (board member), Airthings ASA (CEO), Longfellow Invest AS (CEO)
Previous directorships and senior management positions last five years……	None

Erlend Bolle – *Chief Product Officer (CPO)*

Erlend Bolle is the CPO and co-founder of Airthings. He has 16 years of management experience from Gamma Medica Ideas, the University of Oslo and Airthings. Mr. Bolle currently serves as chairman in the board of directors of Steinkjer Liftutleie AS. He holds a Master in Micro Electronics from the Norwegian University of Science and Technology (NTNU).

Current directorships and senior management positions……………………..	Steinkjer Liftutleie AS (chair), Steinkjer Gass AS (chair), Sunsense AS (board member), Airthings ASA (CPO)
Previous directorships and senior management positions last five years……	None

Lauren Pedersen – *Chief Marketing Officer (CMO)*

Lauren Pedersen is the Chief Marketing Officer of Airthings. She has previously served as CMO of Instabank, as VP Global Marketing in Cxense and as Brand Director/Director Consumer Marketing in Opera Software. Pedersen currently serves as board member of Monner AS and as board member of Oslo International School. She holds a BA in Communications from the American University, Washington D.C.

Current directorships and senior management positions……………………..	Brav (board member), LATO Invest AS (board member), Ramstad Turnforening (board member), Airthings ASA (CMO)
Previous directorships and senior management positions last five years……	Monio (board member), Oslo International School (board member), Instabank (board member / employee representative and CMO)

Pål Berntsen – *SVP Airthings for Business*

Pål Berntsen holds the position as VP & GM, Business. His previous experience includes 11 years working at Logitech, where he held the positions as Head of Distribution Region North, Regional Manager Sales and Marketing Nordics and Head of Distribution CEMEA. Mr. Berntsen holds a Bachelor in Commerce from Maquarie University Sydney.

Current directorships and senior management positions……………………..	Airthings ASA (SVP Airthings for Business)
Previous directorships and senior management positions last five years……	None

Torje Carlsson – *SVP Consumer Products*

Torje Carlsson holds the position as VP & GM, Consumer. His previous experience includes four years working at Microsoft, where he served as Country Manager for Microsoft Advertising Norway, as Marketing Director for Microsoft Norway and as Digital Lead for Microsoft Western Europe. Mr. Carlsson also has experience from various roles in Schibsted Media Group, where he worked for six years. He holds a Bachelor of Commerce from Quinn School of Business, UCD, Ireland, and an MSc in Business and Economics from BI Norwegian School of Management.

Current directorships and senior management positions……………………..	Airthings ASA (VP & GM Consumer Products)
Previous directorships and senior management positions last five years……	None

Audhild Andersen Randa – *Chief Operating Officer (COO)*

Audhild Randa is COO at the Company and leads R&D and Operations teams. Prior to joining the Company, she was VP Technology Europe at Circle K leading a team of 230 IT professionals across 10 countries. Prior to joining Circle K, she worked as a management consultant at McKinsey & Company, with a focus on Marketing & Sales in Media, Telecom and Retail. Randa is a board member of Entur AS, a state-owned company that creates digital infrastructure for the public transport sector in Norway. She holds an M.Sc in Engineering Mathematics from the Norwegian University of Science & Technology (NTNU) and a B.A. in Russian Area Studies from the University of Oslo (UiO).

Current directorships and senior management positions……………………..	Entur AS (board member), Monil AS (board member), GMTA Digital Marketing AS (board member), E59 Invest AS (chair), Airthings ASA (COO), E59 Invest AS (owner/CEO)
Previous directorships and senior management positions last five years……	Airthings ASA (board member), AAR Invest AS (now Frontra Consulting AS) (chair and CEO/owner)

Anita Øverbekk – *Director of HR*

Anita Øverbekk is Director of HR of the Company, a position she commenced in 2019. Anita has over 21 years of HR experience in international corporations, like Oracle, CA Technologies, and Samsung as well as Norwegian Tech companies. She was the Nordic Senior HR Manager in Thomson Reuters before she joined Pexip in 2018. Øverbekk has studied Human Resources Management and Change Management, Teams and Coaching at BI Norwegian Business School.

Current directorships and senior management positions……………………..	Complete HR Management AS (chair), Airthings ASA (Director of HR)
Previous directorships and senior management positions last five years……	None

Jeremy Michael Gerst –*Chief Financial Officer (CFO)*

Jeremy Gerst is the Chief Financial Officer of the Company, a position he commenced in 2022. Prior to joining the Company, he was CFO at reMarkable since 2017. Prior to this, Mr. Gerst spent three years at The Boston Consulting Group. Mr. Gerst also has previous experience from the Federal Reserve Bank of San Francisco and holds an MBA from UC Berkeley – Haas School of Business.

Current directorships and senior management positions……………………..	NytNatur AS (board member), Airthings ASA (CFO)
Previous directorships and senior management positions last five years……	reMarkable AS (CFO)

11.4 Remuneration and benefits

11.4.1 *Remuneration of the Board of Directors*

The table below sets out the remuneration paid to the Board of Directors for 2021.

Table 25 – Remuneration of the Management

Name	**Title**	**2021** *(In USD thousands[1])*
Aksel Lund Svindal	Chair[2]	12
Geir Førre	Board member[3]	12
Liv Hege Dyrnes	Board member	12
Lars Boilesen	Board member	12
Emma Tryti	Board member[4]	-
Karin Berg	Board member[4]	-
Total compensation to the Board of Directors		48

[1] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year
[2] Ordinary board member in 2020
[3] Chair of the board in 2020
[4] New board member from the extraordinary general meeting held on 28 October 2021

11.4.2 *Remuneration of the Management*

The below table sets forth the amount of remuneration paid by the Company to its executive management for the financial year ended 31 December 2021.

Table 25 – Remuneration of the Management

Name	**Position**	**Salary** *(In USD thousands[1])*	**Bonus** *(In USD thousands[1])*	**Pension** *(In USD thousands[1])*	**Other** *(In USD thousands[1])*	**Total remuneration** *(In USD thousands[1])*
Øyvind Birkenes	CEO	229	49	8	1	286

Magnus Navdal Bekkelund	CFO[2]	63	-	2	-	65
Audhild Andersen Randa	COO[2]	63	-	2	-	65
Erlend Bolle	CTO	137	8	7	1	153
Lauren Pedersen	CMO	159	8	8	1	176
Torje Carlsson	SVP, Airthings for Consumer	152	39	8	1	200
Pål Berntsen	SVP, Airthings for Business	151	40	8	1	200
Erik Lundby	Former CFO[3]	80	8	6	-	94
Koki Yoshioka	Former COO[3]	82	8	7	1	98
Jonas Olsson	Former VP R&D Hardware Products[3]	83	8	8	1	100
Alexander Sagen	Former VP R&D Software Solutions[3]	65	8	6	3	82
Total		1,262	177	68	12	1,519

[1] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
[2] Compensation is only reflected for the period that the executive was part of management, which was from 1 August 2021.
[3] Compensation is only reflected for the period that the exeutive was part of management, which was until 31 July 2021.

11.4.3 *Share options held by the Board of Directors*

The below table sets forth the share options held by the Board of Directors for the financial year ended 31 December 2021.

Table 26 – Share options held by the Board of Directors as at 31 December 2021

Name	**Position**	**Outstanding options**	**Strike price (NOK)**	**Remaining life (years)**
Aksel Lund Svindal	Chair	100 000	3.36	7.25
Geir Førre	Board member	-	-	-
Lars Boilesen	Board member	-	-	-
Emma Tryti	Board member	-	-	-
Karin Berg	Board member	-	-	-
Anlaug Underdal	Board member – employee representative	67 800	0.7 - 8.56	4.42 – 5.84
Tore Rismyhr	Board member – employee representative	57 030	3.36 - 8.56	4.42 – 7.75
Total		**224 830**		

11.4.4 *Share options held by the Company's management*

The below table sets forth the share options held by the Company's management for the financial year ended 31 December 2021.

Table 27 – Share options held by the Company's management as at 31 December 2021

Name	**Position**	**Outstanding options**	**Strike price (NOK)**	**Remaining life (years)**
Øyvind Birkenes	CEO	2 086 600	0.51 - 8.56	3.66 - 7.01
Magnus Navdal Bekkelund	CFO	46 584	8.56 - 13.35	4.42 - 9.13
Audhild Andersen Randa	COO	120 000	8.56	4.42
Erlend Bolle	CTO	70 000	8.56	4.42
Lauren Pedersen	CMO	285 000	3.36 - 8.56	4.42 - 8.1
Torje Carlsson	SVP, Airthings for Consumer	761 200	1.45 - 8.56	4.42 - 7.0
Pål Berntsen	SVP, Airthings for Business	548 000	1.45 - 8.56	4.42 - 7.0
Total		**3 917 384**		

11.5 Employees

The Group had approximately 140 employees as of 31 March 2022.

The table below shows the development in the number of employees in the Group for the years ended 31 December 2021, 2020 and 2019.

Table 28 – Employees	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
Group	140	120	56

The Company does not report number of employees by category of activity or geographical location.

11.6 Share incentive programs

The Company has a share based payment program where all employees are granted share options when they commence in their position. The vesting time of options is four years from grant date. For options granted prior to 1 June 2021, 25% of the options vest on the first anniversary of the grant date and the remaining 75% of the options vest in equal monthly tranches over the next 36 months. These options expire ten years after grant date. For options granted after 1 June 2021, 25% of the options vest on each anniversary of the grant date. These options expire five years after grant date.

The fair value of the employee services received in exchange for the grant of the options, is recognized as an expense based on the Company's estimate of equity instruments that will vest. The expense is reported as an employee expense with a corresponding increase in equity (other paid-in capital). The fair value of the options is measured using the Black Scholes model. Measurement inputs include share price on measurment date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

11.7 Benefits upon termination

The Board of Directors nor the executive management team have no agreements relating to benefits upon termination.

11.8 Pension and retirement benefits

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("*lov om obligatorisk tjenestepensjon*"). Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

11.9 Nomination committee

The nomination committee is appointed at the General Meeting, pursuant to Article 12 of the Company's articles of association. The nomination committee is responsible for recommending candidates to the Board of Directors and the remuneration of the Board of Directors in accordance with the instructions for the nomination committee issued by the Board of Directors and sanctioned by the shareholders in the General Meeting.

The nomination committee consists of three members, all deemed to be independent of the Board of Directors and the Company's management:

- Magnus Nordseth (chair), Partner at Firda AS, the largest shareholder of the Company
- Niklas Hallberg, employed with KLP Kapitalforvaltning AS (Verdipapirfondet KLP Aksjenorge), the second largest shareholder of the Company
- Jon Helge Fjellheim, chair of Rabakken Invest AS, the third largest shareholder of the Company

All members of the nomination committee were elected on the General Meeting held on 25 May 2022. The term of the committee expires at the date of the Annual General Meeting to be held in 2023.

11.10 Audit committee

The Company's audit consists of Liv Hege Dyrnes (chair) and Karin Berg.

The audit committee's main duties is to:

- prepare the Board of Director's supervision of the Company's financial reporting process;
- monitor the systems for internal control and risk management;
- have continuous contact with the Company's auditors regarding the audit of the annual accounts;
- review and monitor the independence of the Company's auditors;
- pre-approve all audit-related and other significant services provided by the Company's auditors.

The audit committee shall consist of at least two members.

11.11 Remuneration committee

The Company's remuneration committee consists of Geir Førre (chair), Aksel Lund Svindal and Emma Tryti.

11.12 Corporate Governance

The Company has adopted and implemented a corporate governance regime which in all material respects complies with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Corporate Governance Code**").

Neither the Board of Directors nor the General Meeting have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

11.13 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Company's management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Company's management or the Board of Directors, including any family relationships between such persons.

12 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association (attached hereto as Appendix A) and Norwegian law.

12.1 Company corporate information

The Company's registered legal and commercial name is Airthings ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registration number in the Norwegian Register of Business Enterprises is 993 092 045 and the Company's Legal Entity Identifier code (LEI-code) is 549300XG11DDY7M1KX46.

The Company was incorporated in Norway on 1 August 2008 as a private limited liability company and transformed to a public limited liability company on 22 October 2020.

The Shares, including the Offer Shares, have been created under the Norwegian Public Limited Liability Companies Act. The Offer Shares are registered in book-entry form with the VPS under ISIN NO 0010895568. The Company's register of shareholders in the VPS is administrated by the VPS Registrar.

The Company's registered office is located at Wergelandsveien 7, 0167 Oslo, Norway and the Company's main telephone number is +47 480 30 383. The Company's website can be found at www.airthings.com. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

12.2 Legal structure

The Company functions as parent company of the Group. The following table sets out information about the Company's (directly or indirectly owned) subsidiaries:

Table 29 - Group structure

Subsidiary / Operating division	Share-holding	Voting rights	Country of incorporation	Registered office
Airthings America Inc	100%	100%	USA	451 S Main St Ste 220, Fort Worth, TX 76104, United States
Airthings AB	100%	100%	Sweden	Elektrogatan 10, 171 54 Solna, Sweden

12.3 Share capital and share capital history

As of the date of this Prospectus, the Company's current share capital is NOK 1,728,490.37 divided on 172,849,037 Shares, each with a nominal value of NOK 0.01. All Shares are validly issued, fully paid and non-assessable.

The Company has only one class of Shares. Accordingly, there are no differences in the voting rights among the Shares. Each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends.

The table below shows the development in the Company's share capital for the period covered by the historical financial information, i.e. from 2019 and up to the date of this Prospectus:

Table 30 – Development in Share capital

Date registered	Type of change	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
4 June 2019	Issue	81,564	567,729.00	671	1.00	81,564	567,729
29 April 2020	Issue	55,658	623,387.00	1,078	1.00	55,658	623,387
30 September 2020	Issue	18,466	641,853.00	1,503	1.00	18,466	641,853
30 September 2020	Issue	21,453	663,306.00	1,503	1.00	21,453	663,306
19 October 2020	Capitalization issue	663,306	1,326,612	-	2.00	-	663,306
19 October 2020	Share split	-	1,326,612	-	0.01	-	132,661,200
29 October 2020	Issue	370,370.37	1,696,982.37	13.50	0.01	37,037,037	169,698,237
29 October 2020	Issue, options exercise	6,080	1,703,062.37	3.35[2] 0.51[3]	0.01	608,000	170,306,237

28 November 2020	Issue, options exercise	2,994	1,706,056.37	1.89[1]	0.01	299,400	170,605,637
16 February 2021	Issue, options exercise	5,234	1,711,290.37	0.99[1]	0.01	523,400	171,129,037
6 May 2021	Issue, options exercise	1,129	1,712,419.37	1.28[1]	0.01	112,900	171,241,937
5 August 2021	Issue, options exercise	2,896	1,715,315.37	0.99[1]	0.01	289,600	171,531,537
2 November 2021	Issue, options exercise	2,849	1,718,164.37	2.61[1]	0.01	284,900	171,816,437
15 February 2022	Issue, options exercise	5,504	1,723,668.37	1.85[1]	0.01	550,400	172,366,837
11 May 2022	Issue, options exercise	4,822	1,728,490.37	1.07[1]	0.01	482,000	172,849,037

[1] *Average strike price*
[2] *Subscription price pertaining to 20,800 shares*
[3] *Subscription price pertaining to 587,200 shares*

12.4 Admission to trading

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs since 30 October 2020 under the ticker code "AIRX" with ISIN NO 0010895568. On 23 May 2022, the Company applied for the Shares to be admitted to trading and Listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 22 June 2022. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 24 June 2022, under the ticker code "AIRX". Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

12.5 Board authorization to issue shares

On 25 May 2022, the General Meeting resolved to authorize the Board of Directors to increase the share capital by up to NOK 172,366 (equivalent to 10% of the Company's share capital at 25 May 2022) in one or more share capital increases through issuance of new shares.

The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Public Limited Liability Companies Act may be set aside when utilizing the authorization. The authorization can be used in situations described in the Norwegian Securities Trading Act section 6-17.

The authorization also covers share capital increases against non-cash contributions and the right to assume special obligations on behalf of the Company.

The authorization may only be used to raise additional capital for future investments or for general corporate purposes, or to issue shares in connection with acquisitions, mergers, demergers, or other transactions.

The authorization is valid until the annual general meeting in 2023, however no longer than until 30 June 2023.

12.6 Authorization for the board to increase the share capital in connection with incentive programs

On 25 May 2022, the General Meeting resolved to authorize the Board of Directors to, on behalf of the Company, to increase the share capital by up to NOK 123,417 in connection with the existing incentive program and current granted options, in one or more share capital increases through issuance of new shares.

The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Public Limited Liability Companies Act may be set aside. The authorization can be used in situations described in the Norwegian Securities Trading Act section 6-17.

The authorization may only be used to issue shares to the Group's employees in connection with incentive programs, both individual and general.

The authorization is valid until the annual general meeting in 2023, however no longer than until 30 June 2023.

12.7 Authorization to acquire treasury Shares

On 25 May 2022, the General Meeting resolved to authorize the Board of Directors to, on behalf of the Company, acquire and be granted security in treasure shares up to an aggregate nominal value of NOK 172,366 (equivalent to 10% of the Company's share capital at 25 May 2022). If the Company disposes of or cancels treasury shares, this amount shall be increased with an amount corresponding to the nominal value of the disposed and cancelled shares.

The purchase price for each share shall be minimum the nominal value of the share and maximum NOK 25.

The authorization may only be used for the purpose of using treasury shares for investment purposes, realize the shares, use the shares as consideration in connection with acquisitions, mergers, demergers, or other transactions, or use the shares to fulfil the Company's obligations in connection with incentive programs for the Group's and/or the Group's management company's employees, or to cancel the shares and consequently decrease the Company's share capital. The authorization can be used in situations described in the Norwegian Securities Trading Act section 6-17.

The Board of Directors may otherwise freely determine the method of acquisition and disposal of shares. The authorization is valid until the annual general meeting in 2023, however no longer than until 30 June 2023.

12.8 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares or any shares in subsidiaries of the Company. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

12.9 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 12.13 *"The articles of Association and certain aspects of Norwegian law"*.

12.10 Takeover bids and forced transfer of shares

The Company has not received any takeover bids since its inception.

12.11 Change in control

As of the date of this Prospectus, to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change in control in the Company.

12.12 Transferability of the Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS.

12.13 Ownership structure

As of 21 June 2022 the Company had a total of 2,824 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of said date is set out below:

Table 31 – Overview of major shareholders

#	Shareholder	No. of Shares	Percentage
1	Firda AS	28,961,890	16.76%

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 14.8 *"Disclosure obligations"* for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, one shareholder holds 5% or more of the Shares of the Company. The Company's major shareholder(s) does not have different voting rights than the Company's other shareholders.

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability

Companies Act and the Norwegian Securities Act. See Section 12.13.2 *"Certain aspects of Norwegian law"* and 14.11 *"Compulsory acquisition"* for further information.

12.14 The Articles of Association and certain aspects of Norwegian law

12.14.1 *The Articles of Association*

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain of the provisions of the Articles of Association (office translation).

Company name

Pursuant to Section 1 of the Articles of Association, the Company's name is Airthings ASA. The company is a public limited liability company.

Registered office

Pursuant to Section 2 of the Articles of Association, the Company's business address is in the municipality of Oslo.

Objective of the Company

Pursuant to Section 3 of the Articles of Association, the Company's objective is to develop products and services related to air quality and energy optimization of buildings, as well as international marketing and sale of these, investing in other companies or development of other businesses, and all that is related to the aforementioned.

Share capital and nominal value

Pursuant to Section 4 of the Articles of Association, the company's share capital is NOK 1,728,490.37, divided on 172,849,037 shares, each with a nominal value of NOK 0.01. The company's shares shall be registered in the Norwegian Central Securities Depository (VPS).

Transfer of shares

Pursuant to Section 7, the company's shares are freely transferable.

Board of Directors

Pursuant to Section 5, the board of directors shall consist of between 2 to 9 board members, as decided by the general meeting.

Signature

Pursuant to Section 6, the chair of the Board and one Board Member signs on behalf of the company. The Board can give Board Members, the general manager or named employees the right to sign on behalf of the Company. The board of directors may grant power of procuration.

Nomination committee

Pursuant to Section 12 of the Articles of Association, the Company shall have a nomination committee, elected by the General Meeting.

General meetings

Pursuant to Section 9 of the Articles of Association, the General Meeting shall resolve:

- Adoption of the annual accounts and the annual report, including distribution of dividends;
- Determination of remuneration to the board and approval of remuneration to the auditor;
- Election of Chair of the Board, Board Members and auditor; and
- Any other matter which under the law or the Articles of Association pertain to the General Meeting.

Change of control

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

12.14.2 *Certain aspects of Norwegian law*

12.14.2.1 General meeting of shareholders

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the Company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting of shareholders.

Each of the Company's shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

12.14.2.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

12.14.2.3 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

12.14.2.4 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting cannot be granted for a period exceeding 24 months.

12.14.2.5 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

12.14.2.6 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

12.14.2.7 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

12.14.2.8 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

12.15 Shareholder agreements

The Company is not aware of any shareholders' agreements related to the Shares which will be in force upon Listing.

13 TRANSFER RESTRICTIONS

13.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or sold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risk of the investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 13 *"Transfer restrictions".*

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares.

The information in this Section 13 *"Transfer restrictions"* is intended as a general guide only. If any recipient is in any doubt of any of the contents of these restrictions, or whether any of these restrictions apply to that recipient, the recipient should obtain independent professional advice without delay.

13.2 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that

it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

13.3 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

14 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

14.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth, Nordic ABM and Oslo Connect. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA, which was in 2019 acquired by Euronext N.V., a European stock exchange with registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris. Oslo Børs ASA owns 97% of the shares in Fish Pool ASA. Oslo Børs ASA complies with the European code of conduct commitments on service unbundling and accounting separation. Oslo Børs VPS Holding ASA also wholly-owns the Norwegian Central Securities Depository (VPS).

14.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

14.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Optiq, which is the the electronic trading system of Euronext.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

14.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

14.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

14.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information on nominee accounts, see Section 12.13.2 *"Certain aspects of Norwegian law"* under the subheading *"General meeting of shareholders"*.

14.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 12.13.2 *"Certain aspects of Norwegian law"*.

14.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

14.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Chapter 2 of the Article Market Abuse Regulation (EU) 596/2014, pursuant to Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

14.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

14.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

14.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14.13 Other information

14.13.1 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

14.13.2 *Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway*

The Company is a public limited liability company organized under the laws of Norway. The majority of the members of the Board of Directors and management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

14.13.3 *Norwegian law could limit shareholders' ability to bring an action against the Company*

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

14.13.4 *Investors could be unable to exercise their voting rights for Shares registered in a nominee account*

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

14.13.5 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

15 NORWEGIAN TAXATION

The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation ("***resident or Norwegian shareholders***") *and holders that are not residents of Norway for such purposes* ("***non-resident or foreign shareholders***").

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

15.1 Taxation of dividends

15.1.1 *Resident corporate shareholders*

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Nw: "*Fritaksmetoden"*). However, 3% of such dividends are taxable as general income at a current rate of 22%, implying that dividends distributed from the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%. For Norwegian corporate shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax, the effective tax rate of taxation of dividends is 0.75%.

15.1.2 *Resident personal shareholders*

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-exempt allowance (Nw: "*Skjermingsfradrag*"). The tax basis is upward adjusted with a factor of 1.6 before taxation, implying that dividends exceeding the tax free allowance are effectively taxed at a rate of 35.2%.

The tax-exempt allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends / capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis calculating the tax-free allowance on the same share the following year.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw.: "*aksjesparekonto*"). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 35.20% (2022), cf. above. Norwegain Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 15.2.2 (*Taxation of capital gains upon realisation of shares resident personal shareholders*) for further information in respect of Norwegian share saving accounts.

15.1.3 *Non-Norwegian Personal Shareholders*

Dividends distributed to shareholders who are individuals not residing in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders residing within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the sharheolder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS) and cannot be older than three years.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on and gains derived upon the realization of shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax rate at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a saving account, ref. above, lies with the account operator.

15.1.4 *Non-Norwegian Corporate Shareholders*

Dividends distributed to shareholders who are limited liability companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (VPS).

In order for a Non-Norwegian Corporate Shareholder resident in the EEA to be exempt from withholding tax, the company must provide all documentation mentioned above, as well as a declaration stating that the circumstances entitling the company to the exemption have not changed since the documentation was issued.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

15.2 Taxation upon realization of shares

15.2.1 *Resident corporate shareholders*

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

15.2.2 *Resident personal Shareholders*

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 35.20 % (for 2022); i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.60 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22% (2022), increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 35.20%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 15.1.2 (*Taxation of dividends resident personal shareholders*) above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set of against gains form realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Gains derived upon the realization of Shares held through a share saving account (Nw: "*aksjesparekonto*") will be exempt from Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 35.20% (for 2022). Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see "Taxation of dividends – Norwegian Personal Shareholders" above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share savings account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

15.2.3 *Non-resident shareholders*

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax. Please refer to section 15.1.1 (*Taxation of dividends resident personal shareholders*) above for a description of the availability of a Norwegian share saving acocunt.

15.3 Net wealth tax

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation in Norway on net (taxable) wealth exceeding NOK 1,700,000. The net wealth tax rate is currently 0.95 per cent on net wealth between NOK 1,700,000 and NOK 20,000,000, and 1.10 per cent on net wealth exceeding NOK 20,000,000. The general rule is that the Shares will be included in the net wealth with 75% of the Shares' listing value as of 1 January in the assessment year, i.e. the year following the income year.

Non-resident shareholders (personal and corporate) are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

15.4 Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

15.5 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

15.6 Cautionary note

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

16 ADDITIONAL INFORMATION

16.1 Independent auditor

The Company's independent auditor is BDO AS, with registration number 993 606 650 and business address at Munkedamsveien 45A, 0250 Oslo, Norway. BDO AS is a member of The Norwegian Institute of Public Accountants (Nw: "*Den Norske Revisorforeningen*"). BDO AS has been the Company's auditor throughout the period covered by financial information included in this Prospectus.

The Consolidated Financial Statements as of and for the years ended 31 December 2021, 2020 and 2019 have been audited by BDO AS, as set forth in their report included herein.

BDO AS has not audited, reviewed or produced any report on any other information provided in this Prospectus.

16.2 Advisors

Advokatfirmaet Schjødt AS (address: Ruseløkkveien 14-16, N-0251 Oslo, Norway) functions as the Company's Norwegian legal counsel.

16.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Wergelandsveien 7, 0167 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website www.airthings.com. The content of www.airthings.com is not incorporated by reference into, or otherwise form part of, this Prospectus.

16.4 External documents of interest

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference table set out below. Except from this section, no other information is incorporated by reference in this Prospectus.

Table 32 – External documents of interest
Reference document and link
Admission document Euronext Growth Oslo: https://newsweb.oslobors.no/obsvc/attachment.obsvc?messageId=516766&attachmentId=207128&obsvc.item=1

17 DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus:

Table 33 – Definitions and glossary	
Defined terms	**Meanings**
Adjusted EBITDA	EBITDA adjusted for (i) material gains or losses on sale of assets, (ii) legal and consulting costs relating to transactions, settlement of disputes and litigations, (iii) restructuring costs, (iv) impairments if result of an isolated event, (v) costs incurred prior to launch of a new brand, (vi) unrealized gains/losses on financial instruments, and (vii) other material transactions that are not part of ordinary operational income or costs
Adjusted EBITDA Margin (%)	Adjusted EBITDA margin is defined by the Group as the Adjusted EBITDA as a percentage of net sales
Annual Financial Statements	The Company's annual consolidated financial statements that were audited for the financial years ended 31 December 2020, 2019 and 2018.
APAC	Asia-Pacific
APM	Alternative performance measures
Articles of Association	The articles of association of the Company
Board Members or Board of Directors	The members of the board of directors of the Company
Brands or Brands segment	The brand segment of the Group
CEO	Chief Executive Officer
CERN	The European Organization for Nuclear Research
CFO	Chief Financial Officer
Consolidated Financial Statements	The Company's annual consolidated financial statements that were extracted from the Annual Financial Statements and are attached hereto as Appendix B (IFRS 2021 and 2020) and Appendix C (NGAAP 2020 and 2019).
Companies Act	Norwegian Public Limited Companies Act of 1997 No. 45
Company or Airthings	Airthings ASA
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance, dated 14 October 2021
COVID-19	SARS-CoV-2, coronavirus
EBITDA	Net profit (loss) for the period before net financial items, income tax expense, total depreciation, amortization and impairment
EEA	The European Economic Area
EMEA	Europe, Middle East and Africa
ESMA	The European Securities and Markets Authority
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	The single currency of the participating member states in the EU participating in the European Monetary Union having adopted euro as its lawful currency
Euronext Growth	A multilateral trading facility operated by Oslo Børs ASA
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
Financial Statements	The Annual Financial Statements and the Interim Financial Statements
General Meeting	The general meeting of the Company's shareholders

Group	The Company together with its consolidated subsidiaries
Gross Profit Margin (%)	The gross margin is defined by the Group as Gross profit as a percentage of net sales
IAQ	Indoor air quality
IFRS	International Financial Reporting Standards as adopted by the EU
Interim Financial Statements	The unaudited consolidated financial statements for the three-month period ended 31 March 2022, prepared in accordance with IAS 34
ISIN	Securities number with the Norwegian Central Securities Depository (VPS)
IP	Intellectual property
Listing	Listing of the Company's Shares on Oslo Børs
NGAAP	Norwegian Generally Accepted Accounting Principles
NOK	Norwegian Kroner, the lawful currency of Norway
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Norwegian FSA	Financial Supervisory Authority of Norway (Nw.: "*Finanstilsynet*")
Norwegian Public Limited Liability Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
Prospectus	This Prospectus dated 23 June 2022
PPA	Purchase-price-allocation
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
R&D	Research and development
SaaS	Software as a Service
Share(s)	The Company's outstanding shares, each with a par value of NOK 0.01
Schjødt	Advokatfirmaet Schjødt AS
USD	The lawful currency of the United States
U.S. or United States	The United States of America
VPS	The Norwegian Central Securities Depository (Nw: *"Verdipapirsentralen"*)
VPS Registrar	DNB Bank ASA, DNB Markets Registrars department (address: Dronning Eufemias gate 30, 0021 Oslo, Norway)

APPENDIX A:

Articles of Association

Vedtekter
for
Airthings ASA

§1 Selskapets navn er Airthings ASA.

§2 Selskapets forretningskontor er i OSLO kommune.

§3 Selskapets formål er produkt- og tjenesteutvikling tilknyttet luftkvalitet og energioptimalisering av bygg, samt tilhørende internasjonal markedsføring og salg av disse, investering i andre selskaper eller utvikling av annen virksomhet, og alt som står i forbindelse med forannevnte

§4 Selskapets aksjekapital er på NOK 1 728 490,37 fordelt på 172 849 037 aksjer hver pålydende NOK 0,01.

§5 Selskapets styre skal ha 2-9 medlemmer. Styret velges for ett år om gangen. Styrets leder velges av generalforsamlingen. Styremedlemmer kan ta gjenvalg. Dersom stemmelikhet ved avstemminger i styret skal styrets leder ha dobbeltstemme.

§6 Selskapets firma tegnes av styreformann og ett styremedlem. Styret kan gi styremedlemmer, daglig leder eller navngitte ansatte rett til å tegne selskapets firma. Styret kan meddele prokura.

§7 Selskapets aksjer er fritt omsettelige. Erverv av aksjer er ikke betinget av selskapets samtykke, og aksjonærer har ikke forkjøpsrett til aksjer som skifter eier.

§8 Generalforsamlingen ledes av styrets leder dersom ikke annen møteleder velges.

§9 På den ordinære generalforsamling skal behandles:

1. *Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.*
2. *Fastsettelse av godtgjørelse til styret og godkjenning av godtgjørelse til revisor.*
3. *Valg av styreleder, styremedlemmer og revisor.*
4. *Andre saker som i henhold til lov eller vedtekt hører inn under generalforsamlingen.*

§10 Selskapets aksjer skal registreres i VPS

§11 Når dokumenter som gjelder saker som skal behandles på generalforsamlinger i selskapet er gjort tilgjengelige for aksjeeierne på selskapets internettsider, kan styret beslutte at dokumentene ikke skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallinger til generalforsamlinger. En aksjeeier kan kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen. Selskapet kan ikke kreve noen form for godtgjøring for å sende dokumentene til aksjeeierne. Aksjeeiere kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for autentisering av avsender. Styret avgjør om det foreligger en slik metode i forkant av den enkelte generalforsamling. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av innkallingen til generalforsamlingen om det er gitt adgang til forhåndsstemming og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

§12 Selskapet skal ha en valgkomite bestående av to til fire medlemmer. Valgkomiteen skal fremme forslag til generalforsamlingen for valg av aksjonærvalgte styremedlemmer og deres godtgjørelse. Valgkomiteen skal også fremme forslag til medlemmer av komiteen. De videre arbeids- og ansvarsoppgaver er beskrevet i egne regler godkjent av generalforsamlingen.

25. mai 2022

APPENDIX B:

The Group's IFRS Consolidated Financial Statements for 2021 and 2020


AIRTHINGS
Annual Report
2021

Key highlights

1

2021 revenues of

USD 33.7 million

up 60% YoY

2

2021 total gross profit of

USD 20.6 million

up 55% YoY, with a gross profit margin of 61%

3

Total ARR reached

USD 2.9 million

at the end of 2021
up 153% YoY

4

Commercial breakthrough for

Airthings for Business

2021 revenue of USD 6.9 million,
up 386% YoY

5

Signed major

Partnerships

with Carrier and Sigler and retailers like Home Depot, CVS and Walmart

6

Successful launches of

View Plus the world's most advanced air quality monitor to date, and

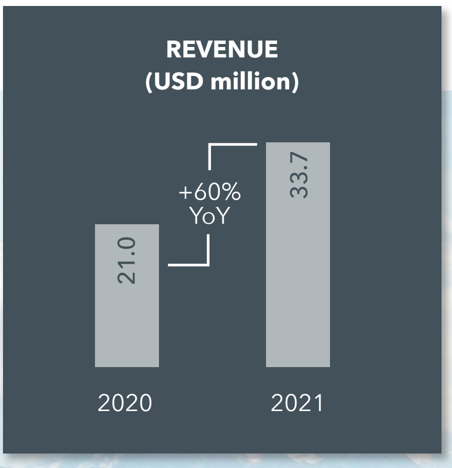
View CO_2 with 10 year battery lifetime

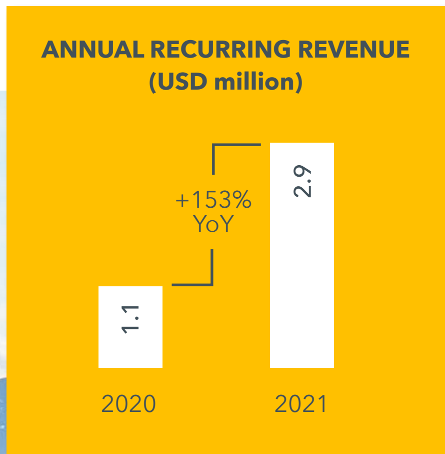
7

Our brand awareness is growing rapidly and the web traffic at

airthings.com

increased to more than 2 million unique visitors in 2021





The year in brief

Airthings ASA reported a strong 2021 with revenues growing 60% to USD 33.7 million. Growth was solid across all three business segments. Demand has been even stronger than the revenue figures indicate, as production capacity has been held back by component shortage.

Annual Recurring Revenue (ARR) came in at USD 2.9 million at the end of 2021, representing growth of 153% from 2020. The growth primarily reflects the strong progress in the Airthings for Business segment – a segment which made a step change from USD 1.4 million in revenues in 2020 to USD 6.9 million in 2021.

Gross profit margin was 61% for the full year, which was a decline from 2020 mainly due to changes in the product and channel mix in the Consumer segment and higher component prices. This was partly offset by a higher share of recurring revenue from the Software-as-a-Service offering in Airthings for Business. Recurring revenues in this area generate gross profits of over 80%.

Despite the global supply chain challenges, Airthings can look back at several significant highlights throughout 2021: the releases of View Plus and View CO_2 for Business, two material Airthings for Business partnerships with Carrier Corporation and Quebec Government, the rolling-out in thousands of new stores across the US in Walmart, CVS and Home Depot, the launch of My Pollen Levels in the Airthings App, and the acknowledgement as an industry leader in the Frost & Sullivan Indoor Air Quality Systems Report. We see significant growth potential for 2022 after building up product stock and look forward to delivering into a strong market momentum going forward.

Quarterly highlights

1Q

Airthings successfully launched its most advanced air quality monitor View Plus at CES, as well as a new in-app feature, My Pollen Levels. The company also signed a deal with Walmart to roll out in nearly 800 stores in the consumer segment.

2Q

Airthings for Business signed a key partnership with Carrier Corporation. In Consumer, the products were rolled out in more than 3,000 CVS stores in the US, raising the total store count to over 5,500. View Plus began shipping to customers, accelerating market traction and marketing activities.

3Q

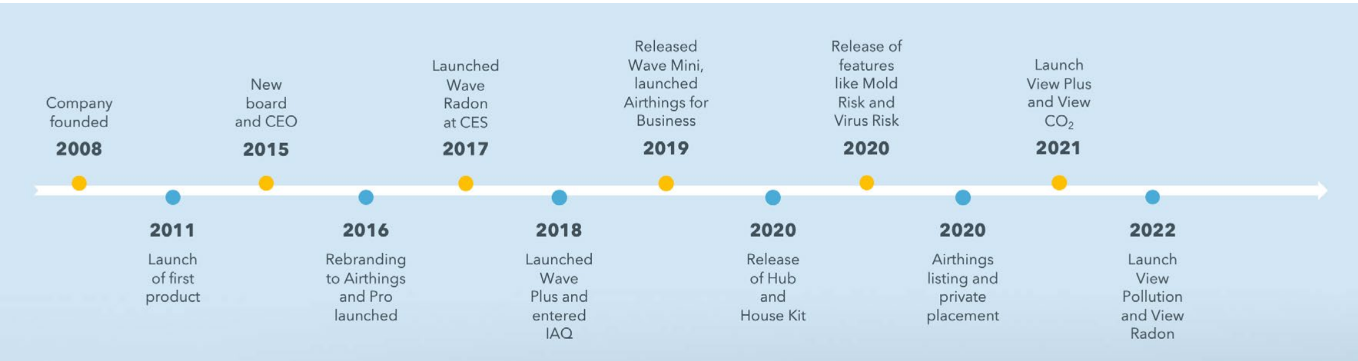
Airthings for Business was awarded a 10-year contract with the Quebec Government to supply air quality monitoring in all private schools. View CO_2 for Business was launched, a new offering enabling further sales opportunities in Airthings for Business and within the Quebec contract. In Consumer, we grew our retail footprint and we are now available in more than 1,300 Home Depot locations.

4Q

The fourth quarter included the successful launch of the View series products View Pollution and View Radon, as well as a record-breaking quarter for Airthings for Business in terms of revenue. Frost & Sullivan selected Airthings as industry leaders in their Indoor Air Quality Systems Report, highlighting our growth and innovation.

This is Airthings ASA

Airthings is a leading global technology company of award-winning radon and indoor air quality solutions for homeowners, businesses, and professionals. Founded in 2008, Airthings is on a mission to ensure that people and businesses around the world recognize the importance and impact of indoor air quality and take control of both health aspects and energy consumption through simple, affordable, and accurate technology solutions.



Airthings' products have made radon detection and indoor air quality monitoring easy to deploy, accurate, and user friendly. Our technology has received several accolades including the TIME's Best Inventions award and CES Innovation Award Honors. Frost & Sullivan positions Airthings as industry leader in global indoor air quality market in their 2021 Global Indoor Air Quality Systems report.

Headquartered in the heart of Oslo, Norway, and with offices in the US and Sweden, the company is growing from a current base of over 140 employees from more than 35 nationalities.

Our story

Every idea starts with a problem, and radon testing for homeowners had not improved in almost 30 years. Concerned consumers only had two options - to call a professional to test their radon levels, or to purchase a single-use charcoal test which was then sent to a lab for analysis. Several particle physicists working together at CERN (European Organization for Nuclear Research) saw an opportunity to improve the radon market, and help consumers and businesses take control of their indoor air quality. This was the foundation for the establishment of Airthings in 2008.

We have since branched out from a pure radon focus, into monitoring and controlling of a wide range of air quality issues for homes, businesses, and professionals. On top of this, our products also enable significant energy savings in buildings and contribute to reduced emissions and a lighter environmental footprint.

International expansion & recognition

Airthings have taken a global distribution approach, combining a strong presence in leading online stores with availability in nearly 800 Walmart stores, 3,000 CVS stores, and 1,300 Home Depot stores in the US, and a wide range of regional and national retail chains in several other countries.

Airthings is also building strong relations with leading B2B partners and last year strengthened the position in the business market with

the signing of a major strategic agreement with Carrier Corporation, a leader in the heating and air conditioning market. The company also won a large tender with the Quebec government in Canada to supply air quality monitoring in all private schools over the next 10 years.

Our technology

Since the start in 2008, Airthings has introduced a steady stream of innovative solutions for consumers, businesses, and professionals to tackle indoor air issues such as radon, particle pollution (particulate matter, PM 2.5), carbon dioxide (CO_2), mold risk, airborne chemicals (VOCs) and virus risk. Airthings for Business Indoor Air Quality (IAQ) monitors can be used to satisfy air requirements for the WELL Building Standard, and the products are RESET accredited, demonstrating our high standards in the IAQ market.

The heart of our system is in the cloud where we turn data into advanced analytics. Airthings is gathering tremendous amounts of anonymized data from sensors in homes and buildings around the world, which are being used to add real insights for our customers.

From industrial design and radio protocol to app creation, software and firmware, our technology and solutions are developed in-house. Most of our products are smart products with corresponding apps, online dashboards, advanced cloud analytics, and APIs. Airthings now offers digital radon detectors as well as smart indoor air quality monitors and solutions for professionals, homes, schools, offices, and other commercial buildings, and is continuously adding new features. This is earning us our reputation of true leadership in the industry.

Business overview

Airthings is a hardware-enabled software company developing, innovative products and systems for monitoring of indoor air quality, radon, and energy efficiency, with a stated goal to be a global leader in these areas. Airthings sells to consumer market, the commercial business market, and to professionals within radon and air quality monitoring, reporting across the three business segments Airthings for Consumer (Consumer), Airthings for Business (AfB), and Airthings for Professionals (Pro).

Airthings for Consumer (Consumer)

Airthings for Consumer offers a range of top-of-the-line air quality monitors to anyone who wants to create and maintain a healthy home environment. We are the global leader in the consumer air quality market with revenue in this segment increasing 36% to USD 23.6 million in 2021. Our largest market is currently in the US. Airthings' strategy is to expand our global presence by working with more premium retailers and e-commerce partners worldwide.

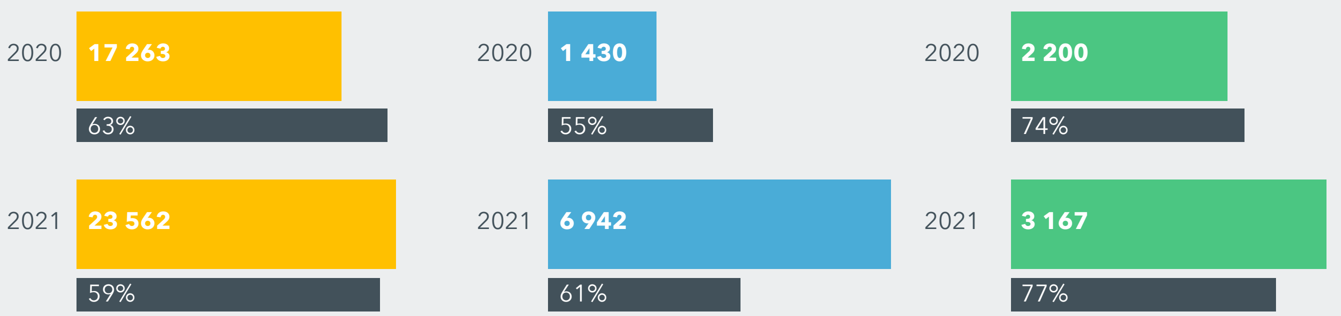
Airthings for Business (AfB)

Airthings for Business is our B2B segment, offering air quality solutions to schools, office buildings, and other commercial buildings. Launched in 2019, Airthings for Business has grown significantly over the last three years and sees strong momentum. Revenue in 2021 reached USD 6.9 million, an increase of 386% over 2020. An increasing share of this is recurring revenue, based on a Software-as-a-Service model. Customers can monitor indoor air quality with actionable insights and remotely make decisions to save energy and improve productivity and wellbeing.

Airthings for Professionals (Pro)

Airthings for Professionals provides an NRPP/NRSB certified radon measurement device tailored toward home inspectors and radon professionals. Measurement professionals enjoy an easy-to-use application, coupled with a dashboard to organize their business. Airthings offers devices, calibration services, leasing options, and an Affiliate Program for its users. Our Pro segment grew by 44% from 2020 to 2021, reaching USD 3.2 million in revenue.

Revenue and gross profit margin (USD 1,000)



Letter from the CEO

Dear Airthings Community,

2021 was another magnificent year for Airthings and I want to take the opportunity to thank the team of highly skilled and passionate employees for the efforts they have put in over the past year. We have so much to be proud of including:

- We grew our revenues by 60%, with continuing solid growth for Consumer, a step change in revenue for Airthings for Business, and strong growth also for our Pro segment
- We expanded our Consumer sales channels significantly, entered new B2B partnerships in Airthings for Business, and signed a groundbreaking deal with the Quebec government for long-term air quality monitoring in schools
- We successfully launched View Plus series - the most advanced air quality monitors on the market – and received great reviews
- We continued our work to help increase global awareness about air quality and to promote Airthings as the best solution to secure families, students and employees everywhere to breathe cleaner air.

The Consumer business continued to make strong progress, despite significant supply limitations, with revenue increasing by 36% to USD 23.6 million, and with major expansion of retail sales channels into thousands of Home Depot, Walmart, and CVS pharmacy stores in the US. The launch of the View Plus generated strong demand in these channels, although global supply chain issues and logistic challenges rendered us unable to produce enough of the View Plus to meet demand. We expect these challenges to ease going forward.

Airthings for Business made incredible advances in 2021, such as the signing of a strategic co-operation agreement with Carrier Corporation, a leader in the heating and air conditioning market. With the rise of legislation and government concerns over health and air quality in public indoor spaces, Airthings for Business is fantastically positioned to help any business improve monitoring and control of both their air quality and energy consumption. Revenue increased more than fourfold to USD 6.9 million in 2021, with the large contract for schools in Quebec boosting revenue in the fourth quarter.

We are ready to drive Airthings for Business to new heights in 2022 and look forward to doing more in-person events for both partners and clients. The success of the Air Summit event in Oslo in September 2021 shows the importance of building relationships with key players in the industry to help businesses take control of the air in their buildings. Exciting new features like our Public Dashboard and Building Pressure will help drive growth going forward, and there is so much more to come.

Our Pro division is also taking huge steps forward, with an impressive revenue increase of 44% to USD 3.2 million in 2021. With growing demand, a new app, opening of the first radon calibration lab, and much more, the Airthings Pro division is a favourite of home inspectors and radon professionals across the globe.

We are on a responsible growth journey and are working to ensure that people around the world can take control over their air quality with simple, sustainable, and accessible technology solutions for every building and home. This will benefit both people and the planet. In 2022, we launched the unbranded airforkids.com site to educate children about the air we breathe and have set a goal to educate a million people by 2026.

We joined the UN Global Compact in 2020 and with the release of our first Sustainability Report in 2021 we are thrilled to announce that documented CO_2 savings from less than 0.5% of our customers exceeds Airthings' total CO_2 emissions reported for 2020. This is just the beginning, and as CEO of Airthings I can assure you of our commitment to continue to advance our positive ESG-impact in the years to come. After the end of the year, we received a Silver Rating from the sustainability ratings organization Ecovadis. This is an acknowledgement of our quality across environment, ethics, labor & human rights, and sustainable procurement, placing us among the top-25% of all rated companies.

Thank you to everyone in the Airthings team and our partners and customers who have helped us reach our goals this year. I look forward to our future together.

Oyvind Birkenes
CEO, Airthings

Board of Directors Report

Airthings is a hardware-enabled software company developing, marketing and offering innovative products and systems for monitoring of indoor air quality, radon, and energy efficiency, with a stated goal to be a global leader in these areas. The company sells to the consumer market, the commercial business market, and to professionals within radon and air quality monitoring. Airthings also reports across these three business areas; Airthings for Consumer (Consumer), Airthings for Business (AfB), and Airthings for Professionals (Pro). Headquartered in in Oslo, Norway, Airthings ASA has two wholly owned subsidiaries, Airthings America Inc. in the US and Airthings AB in Sweden.

Airthings ASA - the parent company of the Airthings Group – was admitted to trading on Euronext Growth in Oslo in October 2020 and aims for an up-listing to the Oslo Stock Exchange during 2022.

Airthings is a global provider of indoor air quality solutions, with the key markets in the US and Europe representing 71% (75%) and 29% (25%) of revenue in 2021, respectively. The company's strategy is to work closely with e-commerce partners, premium retailers, key commercial B2B partners, and home inspectors and radon professionals to provide our premium solutions to customers across all three business segments through the most effective sales channels. Amazon currently represents the company's biggest sales channel, mainly directed towards consumers. Going forward, Airthings will continue its global expansion by growing its presence with both new and existing partners worldwide.

Historically, Airthings has mainly directed its efforts towards the consumer market. However, with the launch of Airthings for Business in 2019 the company opened new market opportunities and a new business model generating high-margin recurring revenue through a Software-as-a-Service model. Airthings for Business saw significant growth in 2021, with recurring revenue increasing as a share of total revenue.

Financial summary

The Airthings Group ("the Group") has converted the consolidated financial statements to the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and restated the financials for both 2021 and 2020 for comparison. As part of the implementation of IFRS the Group changed its presentation currency to USD. The functional currency of the parent company is NOK. Please see note 8.1 for details on first time adoption of IFRS.

All financial statements in this report are presented on a going concern basis in accordance with the Norwegian Accounting Act section 3-3a, and the Board of Directors confirms that the prerequisites for a going concern assumption are indeed present.

Airthings grew both revenue and gross profit during 2021, which was a very eventful year including the commercial breakthrough of Airthings for Business and continued strong demand in both the Consumer and Pro segments.

Income statement

Revenues in 2021 amounted to USD 33.7 million, up 60% compared with USD 21.0 million in 2020. This comprised USD 33.7 million in revenues and USD 0.03 million in other operating income. Gross profit grew by 55% in the period, reaching USD 20.7 million for 2021. The gross margin for the full year 2021 ended at 61%. This compares with 64% in 2020, with the decrease mainly attributed to changes in the product and channel mix in the Consumer segment and higher component prices. EBIT decreased from a loss of USD 5.5 million in 2020 to a loss of USD 9.4 million in 2021. This reflects the ongoing global expansion, with investments into sales, marketing, and R&D as the significant contributors to higher personnel expenses. Depreciation increased from USD 0.7 million to USD 1.3 million in 2021, due to office expansion in addition to investments in production tools.

Net financial items mounted to positive USD 0.1 million in 2021, compared to a negative USD 0.7 million in 2020. The company has limited interest-bearing debt, and the net financial items consist primarily of exchange rate fluctuations between USD and NOK.

Net loss before taxes was USD 9.3 million in 2021, compared to a net loss before taxes of USD 6.2 million in 2020. Tax income was USD 2.1 million. This generated a net loss of USD 7.3 million which compares to net loss of USD 4.1 million in 2020.

Balance sheet

Airthings Group had total assets of USD 83.7 million at the end of 2021, down from USD 91.0 million at the end of 2020. Current assets amounted to USD 67.3 million, including cash and cash equivalents of USD 42.2 million. Non-current assets amounted to USD 16.3 million, which mainly comprises right of use assets, deferred tax assets, and goodwill relating to the Airtight acquisition in 2020.

Airthings Group had total liabilities of USD 15.8 million as per December 31, 2021, up from USD 14.3 million at the end of 2020. Total liabilities consist primarily of lease liabilities, trade payables, contract liabilities, and other provisions.

In 2021, Airthings Group increased its share capital by NOK 12 108.00 to NOK 1 718 164.37 allocated across 171 816 437 shares, each with a nominal value of NOK 0.01. The increase was driven by share issue in connection with the employee option program.

As of 31 December 2021, total equity amounted to USD 67.8 million, corresponding to an equity ratio of 81%. This compares to total equity of USD 76.6 million and an equity ratio of 84% in 2020.

Cash flow statement

Airthings Group's cash flow from operating activities was negative USD 15.9 million in 2021, down from negative USD 4.4 million in 2020. This was driven by a planned expansion which generated a loss before tax of USD 9.3 million and increasing working capital requirements. The latter was accentuated by the increased spending to secure inventory in a globally tight semiconductor market.

Total cash flow from investments was USD -1.0 million in 2021, compared to USD -1.9 million in 2020. The main drivers in 2020 were cash payments related to the Airtight acquisition.

Cash flow from financing was USD -2.6 million in 2021, including repayment of interest-bearing debt of USD 1.9 million in January 2021.

Cash and cash equivalents hence declined to USD 42.2 million at year-end 2021, down from USD 62.9 million at the end of 2020. The net cash spending reflects the company's strategy to invest in growth, in particular increasing marketing and sales costs.

Allocation of net profit

The consolidated accounting loss for 2021 was USD 7.3 million, with the proposed allocation of the net profit for the year shown in the Annual Financial Statement.

PARENT COMPANY ACCOUNTS

(Figures for 2020 in brackets)

The annual accounts for the parent company Airthings ASA have been prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP). The functional currency of the parent company is NOK.

Airthings ASA's revenue from sales amounted to NOK 285.8 million (204.0) and other revenue to NOK 0.2 million (1.2). Gross profit was NOK 170.4

million in 2021 (135.0). Operating expenses amounted to NOK 250.2 million (177.4), and loss before tax was NOK 86.5 million (48.6). Tax income was NOK 17.8 million in 2021 (18.5), generating a net loss of NOK 68.7 million (-30.1).

Total assets amounted to NOK 694.7 million at year-end 2021 (746.6), whereof current assets represented NOK 551.9 million (633.6). Total equity was NOK 607.0 million per December 31, 2021 (671.3).

Current liabilities was NOK 87.7 million per year-end 2021 (75.3), whereas the parent company had long term liabilities of NOK 9.6 million (12.3) related to an employee share option program.

Net cash flow from operating activities was negative NOK 101.5 million (-50.5), and net cash flow from investing activities negative NOK 49.3 million (-35.0). This included an increase in goodwill and R&D due to the merger with Airtight. Net cash flow from financing activities was negative NOK 14.5 million (563.7) due to repayment of interest-bearing liabilities in 2021. Cash and cash equivalents in the parent company hence declined to NOK 360.0 million per December 31, 2021 (525.4), reflecting the investments to facilitate the rapid upscaling of the company.

RISKS AND RISK MANAGEMENT

The Group is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Group seeks to minimize potential adverse effects of such risks through sound business practice, risk management, and hedging.

Risk management is a continuous process and an integrated part of the Group's business. When operating across multiple markets, Airthings is exposed to a range of risks that may affect its business. The key risk areas are discussed below.

Liquidity

Liquidity represents the risk where the Group may potentially encounter difficulty in meeting obligations associated with financial liabilities that are settled by provision of cash or another financial asset. The Group supervises its risk by monitoring its working capital, and overdue trade receivables. The Group has a strong cash position of USD 42 million, which the Board of Directors consider sufficient to fund the Group's growth strategy towards in long-term revenue targets. The liquidity risk is hence considered to be limited.

Credit

Credit risk represents the possibility of a counter-party not meeting its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities.

The credit risk is low in the Consumer segment, where most sales are based on upfront or simultaneous payment, and the Group may also seek advance payments to offset risk on trade receivables in the other segments. Additionally, the Group manages its credit risks

by trading with creditworthy third parties. The Group has close connection with its customers and receivable balances are monitored on an ongoing basis. It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity, and financial position.

The Group's exposure to losses have historically been low. However, the increased operations of the Group outside the US and home markets exposes Airthings to different credit risk environments. The Board of Directors deems credit risk to be at an acceptable level given the current operational circumstances and outlook of the Group.

Foreign currency

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency fluctuations due to the international nature of its operations. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. A significant part of revenues is denominated in USD, with a small portion incurred in NOK, EUR and CAD. Most of its operating expenses are incurred in NOK. Further, the Group could also potentially be negatively affected by fluctuations in other currencies in the future. The Group does not currently hedge currency exposure with the use of financial instruments but monitors the net exposure over time.

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's borrowings have historically been exposed to interest rate fluctuations. As all borrowings were repaid in January 2021, the Group does no longer have any significant interest rate risk related to interest-bearing liabilities.

CORPORATE GOVERNANCE

Airthings considers sound corporate governance to be a prerequisite for value creation, trustworthiness, and access to capital. To secure strong and sustainable corporate governance, it is important that Airthings ensures appropriate and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations across Airthings Group.

Airthings ASA is incorporated in Norway in accordance with the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "NPLCA") and is subject to Norwegian law. The shares of Airthings are listed on Euronext Growth. As a Norwegian public limited liability company listed on Euronext Growth, Airthings complies with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Oslo Børs, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board on 14 October 2021, as amended from time to time (the "NUES Code").

The applicable governance principles in Airthings are articulated in a set of corporate governance principles which are approved by the board of directors. These apply to all of Airthings' subsidiaries as well as Airthings ASA.

Shareholders exercise the ultimate authority in Airthings through the Annual General Meeting, where all shareholders are entitled to attend. The board of directors encourages all investors to participate at the AGM.

Financial reporting in Airthings is built on reporting from the individual legal entities, which are reported monthly according to a pre-defined process and conveyed to the Group Finance team in a standardized format. These financial statements are reviewed by the Group Finance team before being consolidated into a set of consolidated financial statements for the Group. Based on these consolidated financial statements, management in Airthings reports on the financial performance of the Group to the board of directors monthly. Furthermore, management prepares detailed quarterly financial reporting which is approved by the board of directors and published externally.

Airthings ASA and subsidiaries are covered by Directors and Officers liability insurance. The insurance indemnifies directors and officers for defence costs and potential legal liability arising out of claims made against them while serving on a board of directors and or as an officer. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

AIRTHINGS' SUSTAINABILITY JOURNEY: FOR PLANET, FOR PEOPLE, FOR BUSINESS

Airthings is a purpose-driven company that cares about making a difference for people, planet, and business. Our mission is to empower the world to breathe better. As leaders in indoor air quality monitoring, focused on the health and wellbeing of homes and businesses alike, sustainability is close to our heart and part of our core values.

2021 was a milestone year at Airthings, as we continued our sustainability journey, building a holistic sustainability strategy throughout our value chain. The 17 United Nations (UN) Sustainable Development Goals (SDGs) became the pillars of our framework, with a specific focus on 6 SDGs.

Airthings' mission to empower the world to breathe better contributes directly to SDG#3 health and wellbeing. Airthings for Business supports both SDG#11 sustainable cities and communities and SDG #13 climate action, by making buildings smarter through data-driven solutions. To address SDG #12, responsible for consumption and production, we work to understand the impact of the whole life cycle of our products. Our dedication to the company culture and human rights, diversity, and inclusion are a part of our contribution to SDG #8, decent work, and economic growth. Finally, we contribute to SDG#4 quality education. We help to improve indoor air quality in schools and empower teachers to educate children about the air. We continue to be a part of the UN Global Compact and support its 10 principles.

In 2021, we focused on developing regular monitoring to a deeper granular level of our different environmental, social, and governance indicators throughout our value chain. One of the most exciting highlights of 2021 was earning a silver Ecovadis sustainability rating. Entitled "The World's Most Trusted Business Sustainability Ratings,"[1] Ecovadis' is an independent and unbiased evaluation that covers four different categories: the environment, ethics, labor, human rights, and sustainable procurement. Using their evidence-based assessment, the organization ranks companies in categories from zero to platinum. We are thrilled to have been awarded a silver ranking, putting us in the top 25% of companies evaluated. As this is our first year being considered, we are encouraged by the high score and are dedicated to working towards continually improving our score.

As a medium-sized company, with <500 employees, we are not subject to report on the new EU Taxonomy, but we are considering adapting our business activity reporting to be inline. We can already contribute directly to the scope of mitigation of climate change through the data-driven solutions, while not causing significant harm to the other 5 categories. Furthermore, our products can help our customers as the activity could be considered Taxonomy aligned.

Let us walk you through how Airthings products contribute positively to the 3 dimensions of sustainability for the planet, for people, for business and how we are working internally to improve in these dimensions.

[1] https://ecovadis.com

We have big sustainability goals and a solid ESG strategy for how we will achieve them:

For planet:

How Airthings products can promote energy efficiency and avoid CO_2 emissions in buildings

The environmental impact from buildings can be broken down into the construction of the building versus the energy needed for everyday operations. 36% of the total greenhouse gases emissions come from energy production for buildings.

Therefore it is very important to reduce wasted energy and improve the efficiency of buildings. From a small sample of case studies from 20 customers, we have seen the potential our products have to help our users make data-driven decisions to save energy. We are thrilled to see that our customers avoided more than 2000 tons of CO_2 emissions in 2021. These savings are higher than Airthings' operational CO_2 emissions in 2020. We empower our customers to reduce their energy consumption by giving them tools to make effective decisions while managing their buildings.

Facility managers are able to remotely monitor air quality and climate, and they can minimize the energy consumed and maximize comfort. The best way to improve efficiency in the building is to ensure energy is not wasted on heating, cooling, ventilation, and lighting in rooms that aren't being used. Similarly, tracking patterns of occupancy and utilization of the building and using this to optimize the HVAC systems can minimize wasted energy and maximize employee performance.

With our easy-to-use APIs this is possible. Globally, much of the current building stock is older and has numerous systems. Airthings' system enables even older HVAC systems to be more data-driven with our new insights for facility managers. Our next step is to further automate systems to optimize air quality with minimal manual effort.

How Airthings understands the lifetime impact of our product

Throughout 2021, we completed two major analyses to get an overview of our internal carbon footprint. First, following ISO 14040 - 14044, we performed a Life Cycle Assessment (LCA) for five of our products (View Plus, Wave Series, Home, Hub, and Wave Mini). We delineated our goal and scope, followed a data collection and inventory analysis, and finished with an impact assessment and interpretation. Likewise, we focus on high-quality products and aim for >10 years lifetime for the hardware and the experience.

Secondly, using financial statements, we calculated the total carbon footprint of Airthings across scope 1, 2, & 3 following the Greenhouse Gas Protocol. We calculated scope 2 emissions using a market-based methodology, using the European mix as a carbon factor. The total emission of scope 2 in 2021 in Oslo headquarters was 20 tons of CO_2 eq. At the same time, over 98% of our emissions were indirect throughout our value chain (scope 3). We used a combination of calculation methods and a cloud-based program focusing on all spending and their average emissions factors to calculate scope 3 emissions. This carbon accounting was compared with the LCA of our product to generate a closer overview of our emissions. More specific data from our LCA and carbon accounting will be included in our sustainability report by May 2022.

For people:

How Airthings products help occupants breathe healthier air

Air pollution is the presence of substances above the natural level in the air. Polluted air can be harmful to the environment and to humans. Globally, 9 out of 10 people breathe air that exceeds WHO recommended limits for pollutants. Likewise, we spend 90% of our time indoors, where most of the contaminants are circulating because of poor ventilation. Therefore, understanding indoor air quality is vital to taking control of our health. Airthings does advanced cloud analytics using existing and historical data from our devices to empower people (both individuals and businesses) to control air quality, climate, and energy usage. There are many types of invisible pollutants in the air we breathe that affect human health: CO_2, radon, particulate matter (PM), volatile organic compounds (VOCs), mold, humidity, etc. By helping our customers visualize what is in their air, we can help them mitigate air pollutants, reducing their risk of exposure and potentially disease. We have witnessed through customers' interviews and comments that they are taking actions like providing more ventilation, installing radon mitigation systems, air purifiers, and humidifiers or dehumidifiers because of the insights provided by Airthings.

How Airthings is pursuing a social responsibility from the inside

Our goal is to foster a diverse and inclusive work culture. The first step Airthings took towards improving our social responsibility within our daily operations and our supply chain was to develop governance policies. We drafted a policy on human rights, diversity, and inclusion following the principles laid out in the Universal Declaration of Human Rights.

We also determined our baseline metrics of diversity. In 2021, the average number of FTEs was 96. Our employees have reported high satisfaction with the working environment, with an Employee net promoter score (ENPS) of 46, and we continuously strive to achieve incremental improvements. Absence due to sickness amounted to 0.38% in 2021. No personal injuries or damages were registered in 2021.

Our employees currently represent more than 35 nationalities and 28% identify themselves as female. We are aiming for a gender balance of 40-60% women. Likewise, we are setting new targets per team in 2022. Generally, the tech industry is characterized by a low share of female employees. To counter this, Airthings is working systematically to improve the share of female employees at all levels. One of the company's objectives is to offer equal salary and career opportunities regardless of gender. Our Board of Directors is balanced in terms of gender, with

4 men and 4 women, and includes employee representatives. More information and equality statement can be found at www.airthings.com.

Our culture at Airthings is one of the aspects we are most proud of as a company. A positive and healthy culture is key to creating an organization that upholds our company values of Dare, Love, and Focus. In 2021, we continued investing in our people, bringing more people on board to help expand our business and reach our goals. We are continually improving our hiring processes by making them more transparent to ensure we find and attract a diverse group of top talent which we onboard through training programs to cultivate an inclusive community. Even as we grow, we aim to maintain an egalitarian atmosphere where everyone feels valued, heard, and empowered.

As part of our goal to educate 1 million children about air quality, we launched Air for Kids last year. With this fun and educational project, we aim to teach about what's in the air we breathe for curious kids, parents, and teachers everywhere. We have created multiple educational blogs with accompanying quizzes for the kids to see how much they have learned. The quizzes were completed by 245 unique visitors in 2021. We also launched our first air quality poster contest. Through direct outreach, we educated 30 kids on air quality, and we reached 2,900 visitors with our website so far.

AIR FOR KIDS

For business:

How Airthings products can help improve our customers' business

We have continued to empower the world to breathe better in 2021. More than 10,000 schools, 3,000 buildings, and 41,000 business sensors are driving our goal to enable 4,000,000 people to breathe healthier air and energy efficiency by optimizing both of these elements.

Frydenbø Group is an industry leader in commercial real estate in Norway, owning over 110,000 sqm of commercial space. They have been innovators in the property management space and installed their first Airthings sensors in 2019. By integrating the data-driven Airthings for Business solution into their system, they took the correct actions to decrease their energy consumption by 16%.

When at work and in the classroom, we exhale CO_2, which can accumulate in poorly ventilated classrooms, lecture halls, and offices. Excess levels of the gas are linked to higher risk of spreading viruses and bacteria's, and to restlessness, drowsiness, increased heart rate, higher blood pressure, excess sweating, and headaches. Research has found a 12% decrease in sick days and 100% improvement in cognitive scores when the indoor air quality in buildings was improved.

How Airthings is strengthening its governance

We have strengthened our governance by establishing six new policies and guidelines to our way of working: circular principles; human rights, diversity, and inclusion policy; suppliers' code of conduct; whistleblower guidelines and reporting portal; sustainable procurement guidelines; and travel guidelines. We have also updated the employee handbook according to these recent additions. We had no reported cases of human rights violations or child labor from our key suppliers.

When will the sustainability report 2021 be published?

There is so much great work being done within Airthings on how we can become a more environmentally responsible, circular, and people-focused company. 2021 measured our baseline for sustainability at Airthings and now we can continue to build upon this foundation as we grow as a company. Details about our work can be found in our upcoming Annual Sustainability Report, which will be released in May 2022. We aim to pursue economic growth without causing harm to the environment and take good care of the people involved in our value chain.

OUTLOOK

Airthings' key focus for 2022 is to capitalize on the current land grabbing opportunity and continue its expansion in both existing and new geographical markets. Airthings ended 2021 with an undelivered backlog of around NOK 10 million, providing a strong start to 2022. Going forward, the company sees higher production volumes for View Plus, although uncertainties remain with regards to the availability of components. Airthings is continuously monitoring the component market and proactively taking steps to mitigate the situation and secure production going forward. Certain components may however not be available in the quantities required to fully satisfy the strong market demand Airthings is experiencing.

Airthings has set a bold NOK1bn revenue target for 2024 - purely based on organic growth - but maintains an opportunistic view on potential acquisitions. The Board and management share a strong belief in continued positive market demand for Airthings' products and services and strong confidence in the ability to successfully turn this market opportunity into profitable growth in the years to come. Airthings' growth model has been backed by high investments in technology, people, brand awareness, and marketing, and the cost intensity is set to decline with increasing scale and a higher share of high-margin recurring revenue going forward.
The company aims for break-even on the EBITDA-level during 2023, and expects gradually improving operational leverage to allow for long-term EBITDA-margins above 25%.

This report contains certain forward-looking statements that involve risks and uncertainties and that reflect current views about future events and are, by their nature, subject to significant risks and uncertainties. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. You should therefore not place undue reliance on forward looking statements.

Oslo, March 30, 2022

Aksel Lund Svindal
Chairman of the Board

Liv Hege Dyrnes
Board member

Lars Rahbæk Boilesen
Board member

Geir Førre
Board member

Emma Tryti
Board member

Anlaug Gårdsrud Underdal
Board member

Tore Helge Rismyhr
Board member

Karin Berg
Board member

Øyvind Birkenes
CEO

Statement of the Board of Directors and CEO

Responsibility Statement

- The Chief Executive Officer and the Board of Directors confirm, to the best of our knowledge, that the financial statements for 2021 have been prepared in accordance with IFRS as adopted by the EU, with additional information as required by the Accounting Act, and give a true and fair view of the Group's Consolidated financial statements and the Group's assets, liabilities, financial position and results of the operations.
- We also confirm that the report by the Board of Directors provides a fair overview of the parent company and the Group and its development, financial results and position, and describes the Group's key risks and uncertainties.

Oslo, March 30, 2022

Aksel Lund Svindal Chairman of the Board	**Liv Hege Dyrnes** Board member	**Lars Rahbæk Boilesen** Board member	**Geir Førre** Board member
Emma Tryti Board member	**Anlaug Gårdsrud Underdal** Board member	**Tore Helge Rismyhr** Board member	**Karin Berg** Board member

Øyvind Birkenes
CEO

Shareholder information

Airthings' objective is to provide strong value creation and positive long-term returns to the company's shareholders. The Company plans to achieve this by delivering on an ambitious business plan, and through precise, timely and relevant communication that enable investors to evaluate the Company's current status, the prospects for profitable growth, and the inherent operational and financial risks.

Investor relations

Clear and accurate communication with investors and analysts, both in Norway and internationally, is a high priority for Airthings. A key objective for the company is to ensure that investors, potential investors, other stakeholders and the market in general have simultaneous access to accurate, clear, relevant, and up-to-date information about Airthings. To facilitate this, the Group will hold quarterly presentations of its quarterly results, with attendance from senior management. These presentations will be open to the investor community, media and the public at large, and will also be made available online. All investor relation activities are conducted in compliance with applicable rules, regulations, and recommended practices.

Devoted to good Corporate Governance

Airthings considers sound corporate governance to be a prerequisite for sustainable value creation and trustworthiness, and for access to capital at a fair cost of capital.

Airthings' stakeholders should demand that the company follows healthy business practices and ethical business conduct, operates in compliance with all relevant legislation and regulations across the Group, and presents reliable financial reporting.

Airthings Board-approved governance regime maintains governance documents describing the principles for its business conduct, which applies to all of Airthings' subsidiaries as well as Airthings itself.

Employee Share Purchase Program

Airthings believes its employees should be given the opportunity to participate in the value creation, and has established a share-based payment program in which all employees are granted share options upon employment. For further details, please see note 6.8.

Share capital

On December 31, 2021, the share capital in the company amounted to NOK 1 718 164,37, distributed across 171 816 437 shares with a nominal value of NOK 0.01 per share. Airthings has one class of shares, with each share carrying one vote. Firda AS was the largest shareholder with 25 826 543, or 15.0%, of the share capital at the end of 2021.

Shareholders' Authorization to the Board to Increase Share Capital in the Group

The Extraordinary General Meeting (EGM) on October 22, 2020 authorized the board of directors to increase the share capital by up to NOK 663 306, of which NOK 385 807 remains. On May 5, 2021 the Annual General Meeting (AGM) gave the board of directors three separate authorizations to increase share capital; up to NOK 427 823 in connection with investments general purposes and transactions (NOK 427 823 remains), up to NOK 73 565 in connection with a new incentive program and current granted options (NOK 62 316 remains), and up to an aggregate nominal value of NOK 171 129 to acquire treasury shares (NOK 171 129 remains).

All above authorizations are valid until the Airthings AGM in 2022, however no longer than until June 30, 2022.

Shareholder	Shares	Ownership
Firda AS	25 826 543	15.0%
Verdipapirfondet KLP Aksjenorge	7 762 222	4.5%
Rabakken Invest AS	5 800 364	3.4%
Atlas Invest AS	5 637 468	3.3%
Halvor Wøien	4 879 522	2.8%
Erlend Peter Johnsen Bolle	4 819 722	2.8%
Victoria India Fund AS	4 558 131	2.7%
J.P. Morgan Bank Luxembourg S.A.	4 433 967	2.6%
Sundal, Bjørn Magne	4 364 999	2.5%
Yoshioka, Koki	4 166 650	2.4%
Other	99 566 849	57.9%
Total shares	**171 816 437**	**100.0%**

Financial calendar	
1Q22 quarterly results	May 5, 2022
Half-yearly report	July 14, 2022
3Q22 quarterly results	October 27, 2022
4Q22 quarterly results	February 9, 2023

Analyst coverage		
DNB	Christoffer Wang Bjørnsen	+47 24 16 91 43
Arctic Securities	Kristian Spetalen	+47 95 10 08 87
ABG	Øystein Lodgaard	+47 22 01 60 26
SEB	Oliver Kielland	+47 21 00 85 22
Carnegie	Eirik Rafdal	+47 22 00 93 78

Ownership structure - Number of shares held	Number of shareholders	Number of shares	Proportion of share capital
1-1 000	1 296	551 407	0.3%
1 001 -10 000	1 046	4 014 252	2.3%
10 001-100 000	280	8 599 345	5.0%
100 001-500 000	66	15 465 384	9.0%
500 001-	51	143 186 049	83.4%
Total	**2 739**	**171 816 437**	**100.0%**

AIRTHINGS

Airthings Financials

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Consolidated statement of profit or loss

For the years ended 31 December			
Amounts in USD 1,000	**Notes**	**2021**	**2020**
Revenues	2.2	33,671	20,893
Other operating income	2.3	28	123
Total revenue and other operating income		**33,699**	**21,016**
Cost of goods sold		13,041	7,576
Employee benefit expenses	2.4	15,127	9,094
Other operating expenses	2.5	13,566	9,132
Operating profit or loss before depreciation & amortization (EBITDA)		**-8,035**	**-4,786**
Depreciation and amortization	2.6	1,335	736
Operating profit or loss (EBIT)		**-9,371**	**-5,522**
Finance income	2.7	323	20
Finance costs	2.7	268	673
Net financial items		**55**	**-653**
Profit (loss) before tax		**-9,315**	**-6,175**
Income tax expense	2.8	-2,055	-2,044
Profit (loss) for the year		**-7,261**	**-4,131**
Profit (loss) for the year attributable to:			
Equity holders of the parent company		-7,261	-4,131
Earnings per share:			
Basic earnings per share	6.9	-0.04	-0.03
Diluted earnings per share	6.9	-0.04	-0.03

Consolidated statement of comprehensive income

For the years ended 31 December		
Amounts in USD 1,000	**2021**	**2020**
Profit (loss) for the year	**-7,261**	**-4,131**
Other comprehensive income:		
Items that subsequently will not be reclassified to profit or loss:		
Exchange differences on translation of parent company	-2,366	4,289
Total items that may be reclassified to profit or loss	**-2,366**	**4,289**
Items that subsequently may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	14	25
Total items that may be reclassified to profit or loss	**14**	**25**
Other comprehensive profit (loss) for the year	**-2,352**	**4,314**
Total comprehensive profit (loss) for the year	**-9,612**	**183**
Total comprehensive profit (loss) attributable to:		
Equity holders of the parent company	-9,612	183

Consolidated statement of financial position

Amounts in USD 1,000	Notes	31.12.2021	31.12.2020	01.01.2020
ASSETS				
Non-current assets				
Goodwill	5.1, 5.2	3,210	3,317	0
Intangible assets	5.1	2,495	2,332	418
Deferred tax assets	2.8	4,509	2,953	738
Property, plant and equipment	5.3	809	595	263
Right-of-use assets	5.4	4,241	3,578	2,579
Other non-current assets	3.5, 6.8	1,075	1,524	38
Total non-current assets		**16,339**	**14,298**	**4,037**
Current assets				
Inventories	3.1	11,429	4,694	3,306
Trade receivables	3.2	11,850	7,000	4,640
Other receivables	3.2	1,889	2,041	1,618
Cash and cash equivalents	6.6	42,174	62,943	5,589
Total current assets		**67,342**	**76,678**	**15,154**
TOTAL ASSETS		**83,680**	**90,976**	**19,190**

Amounts in USD 1,000	Notes	31.12.2021	31.12.2020	01.01.2020
EQUITY AND LIABILITIES				
Equity				
Share capital	6.7	190	188	65
Share premium		78,669	78,472	10,440
Other capital reserves		1,704	1,096	636
Other equity		-12,721	-3,108	-841
Total equity		**67,842**	**76,648**	**10,300**
Non-current liabilities				
Non-current interest-bearing liabilities	6.2	0	0	2,037
Non-current lease liabilities	5.4	3,803	3,243	2,319
Deferred tax liabilities	2.8	0	343	0
Non-current provisions	3.5	1,090	1,442	0
Total non-current liabilities		**4,892**	**5,028**	**4,356**
Current liabilities				
Current interest-bearing liabilities	6.2	0	1 901	0
Current lease liabilities	5.4	670	473	260
Trade and other payables	3.4	7,027	4 139	2 301
Contract liabilities	3.3	894	422	73
Income tax payable	2.8	27	10	4
Current provisions	3.5	2,328	2 355	1 897
Total current liabilities		**10,946**	**9,300**	**4,534**
Total liabilities		**15,838**	**14,327**	**8,890**
TOTAL EQUITY AND LIABILITIES		**83,680**	**90,976**	**19,190**

Oslo, March 30, 2022

Aksel Lund Svindal
Chairman of the Board

Liv Hege Dyrnes
Board member

Lars Rahbæk Boilesen
Board member

Geir Førre
Board member

Emma Tryti
Board member

Anlaug Gårdsrud Underdal
Board member

Tore Helge Rismyhr
Board member

Karin Berg
Board member

Øyvind Birkenes
CEO

Consolidated statement of cash flows

For the years ended 31 December			
Amounts in USD 1,000	**Notes**	**2021**	**2020**
Cash flows from operating activities			
Profit (loss) before tax		**-9,315**	**-6,175**
Adjustments to reconcile profit before tax to net cash flows:			
Net financial items	2.7	-55	653
Depreciation and amortization	2.6	1,335	736
Share-based payment expense	6.8	608	460
Working capital adjustments:			
Changes in inventories	3.1	-6,736	-1,387
Changes in trade and other receivables	3.2	-4,697	-2,783
Changes in trade and other payables and contract liabilities	3.3, 3.4	3,360	2,188
Changes in provisions	3.5	-380	1,900
Other items			
Tax paid	2.8	1	-4
Net cash flows from operating activities		**-15,879**	**-4,412**
Cash flows from investing activities			
Development expenditures	5.1	-574	-269
Purchase of property, plant and equipment	5.3	-495	-404
Purchase of shares in subsidiaries, net of cash acquired	4.2	0	-1,255
Interest received	2.7	102	14
Net cash flow from investing activities		**-968**	**-1,914**
Cash flow from financing activities			
Proceeds from issuance of equity	6.7	198	69,162
Proceeds from sales of own shares	6.7	0	184
Transaction costs on issue of shares	6.7	0	-3,641
Repayment of borrowings	6.10	-1,901	-177
Payments for the principal portion of the lease liability	5.4	-636	-302
Payments for the interest portion of the lease liability	5.4	-217	-149
Interest paid	2.7	-4	-106
Net cash flows from financing activities		**-2,560**	**64,971**
Net increase/(decrease) in cash and cash equivalents		**-19,407**	**58,644**
Cash and cash equivalents at 1 January		62,943	5,589
Net foreign exchange difference		-1,362	-1,290
Cash and cash equivalents at 31 December		**42,174**	**62,943**

Consolidated statement of changes in equity

Amounts in USD 1,000	Share capital	Share premium	Treasury shares	Other capital reserves	Other Equity Cumulative translation differences	Other Equity Retained earnings	Total equity
Equity 1 january 2020	**65**	**10,440**	**-0.3**	**636**		**-841**	**10,300**
Profit (loss) for the year						-4,131	-4,131
Other comprehensive profit (loss)					4,314		4,314
Total comprehensive profit (loss)					**4,314**	**-4,131**	**183**
Sale of treasury shares			0.3			184	185
Capital increase (note 6.7)	123	68,032				1 007	69,162
Transaction costs						-3,641	-3,641
Share-based payments (note 6.8)				460			460
Equity 31 December 2020	**188**	**78,472**	**0**	**1,096**	**4,314**	**-7,422**	**76,648**
Profit (loss) for the year						-7,261	-7,261
Other comprehensive profit (loss)					-2,352		-2,352
Total comprehensive profit (loss)					**-2,352**	**-7,261**	**-9,612**
Capital increase (note 6.7)	1	197					198
Share-based payments (note 6.8)				608			608
Equity 31 December 2021	**190**	**78,669**	**0**	**1,704**	**1,962**	**-14,683**	**67,842**

Section 1 – General information and accounting policies

1.1 Corporate information

Airthings ASA ("the Company") is a publicly listed company on Euronext Growth, with the ticker symbol AIRX. Airthings ASA was admitted to trading on Euronext Growth on 30 October 2020. Airthings ASA is incorporated and domiciled in Norway. The Company's principal offices are located at Wergelandsveien 7, 0167 Oslo, Norway.

Airthings and its subsidiaries (collectively "the Group", or "Airthings") develop and produces solutions for monitoring indoor air quality, radon and energy efficiency. The Group sells it's products and solutions to consumers and businesses around the world.

The consolidated financial statements of the Group for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 30 March 2022.

1.2 Basis of preparation

The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and related notes.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union ("EU"), and represents the first financial statements of the Group in accordance with IFRS. See note 8.1 for information related to first time adoption of IFRS.

The consolidated financial statements have been prepared on a historical cost basis. All figures are presented in USD thousands (1,000), except when otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, an additional statement of financial position as at 1 January 2020 is presented in these financial statements due to the first time adoption of IFRS.

Further, the consolidated financial statements are prepared based on the going concern assumption. The Group has so far seen limited business impact related to the Covid-19 pandemic as the consumer demand for its products has in some cases increased due to elevated air quality awareness. In other instances, Covid-19 has led to a pressed semiconductor market which has resulted in increased component prices and delivery delays as production capacity has been held back by component shortage. Also, the pandemic has led to slowed retail store roll-out and limited access to buildings for the business segment. The Board continues to monitor the situation carefully to ensure appropriate measures are taken as the situation continues to unfold during 2022.

Presentation currency and functional currency

The consolidated financial statements are presented in United States dollar ("USD"). For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Airthings ASA has Norwegian krone ("NOK") as its functional currency and it's subsidiaries have SEK or USD as their functional currencies. The Group presents it's consolidated financial statements in USD to provide the primary users of the financial statements with more convenient information.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying yearly average exchange rates. The resulting translation differences are recognized in other comprehensive income.

Climate risk

The impact of climate risks has been taken into account in the preparation of the Group's consolidated financial statements for the year ended 31 December, 2021. However, the risks identified are not considered to have a significant impact on the Group considering the nature of the its operations. Potential impacts of climate change are continuously considered in assessing whether assets may be impaired. As of 31 December, climate risk is not expected to have any significant impact on the Group's assets or liabilities.

1.3 General accounting policies

Airthings has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. A summary of the Group's general accounting policies not disclosed in the notes, are presented below:

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method.

Changes in accounting policies

Standards issued but not yet effective

New or amended standards and interpretations which are effective for annual periods beginning on or after 1 January, 2022 and which the Group believes are relevant and may impact the Group's financial statements and/or disclosures are discussed below. The Group has not early adopted any standards or amendments that have been issued, but are not yet effective.

Amendments to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

In May 2020, the IASB issued Covid-19-Related Rent Concessions - Amendment to IFRS 16 Leases. The Board amended the standard to provide an optional relief to lessees from applying IFRS 16's guidance on lease modification accounting for rent concessions arising as a direct consequence of the pandemic. The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, the IASB extended the period of application of the practical expedient to June 30, 2022.

The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions described in IFRS 16 paragraph 46B are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021.
- There is no substantive change to other terms and conditions of the lease.

The amendment applies to annual reporting periods beginning on or after April 1, 2021. The Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application. The amendments are not expected to have a significant impact on the Group's financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, but are not expected to have a material impact on the consolidated financial statements of the Group.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgments that may have the most significant effect on the amounts recognized in the financial statements, are summarized below:

Estimates and assumptions:

- Measurement of deferred tax assets (note 2.8)
- Value in use calculations in relation to impairment testing of goodwill (note 5.2)
- Estimating fair value for share-based payments transactions (note 6.8)

A detailed description of the significant estimates and assumptions are included in the individual note referenced above.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Accounting judgements:

- Determination of CGUs (note 5.2)

A detailed description of the significant accounting judgements are included in the individual notes referenced above.

Section 2 - Operating segments and profit or loss items

2.1 Operating segments

ACCOUNTING POLICIES

An operating segment is a component of an entity:

a) that engages in business activities from which it may earn revenues and incur expenses,

b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

c) for which discrete financial information is available.

For management purposes, the Group is organized into business areas based on its different markets and has three reportable segments, as follows:

- Consumer - private customers
- Business - business customers such as schools, office buildings and other commercial buildings
- Professional - professional customers such as home inspectors and certified radon professionals

No operating segments have been aggregated to form the above reportable operating segments.

The Board of Directors is the Group's chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITDA measured consistently with operating profit or loss before depreciation and amortization as reported under NGAAP (the Group's previous reporting language). The Group's financing (including finance costs and finance income), depreciation and amortization and income taxes are managed on a Group basis and are not allocated to operating segments as underlying assets are managed on a Group basis.

Group functions and adjustments/ eliminations

The remaining of the Group's activities and business are shown in the "Group functions" column in the tables below. These activities mainly relate to R&D, marketing and administrative functions of the Group.

The "Adjustments/eliminations" column in the tables below consists of IFRS adjustments that are not included as part of the segment reporting to the Board. The adjustment of USD 2,502 thousands (2020: USD 1,925 thousands) is related to consideration payable to a customer which was previously recognized as OPEX under NGAAP. Under IFRS, this is accounted for as a reduction of revenue. The adjustment of USD 3,793 thousands (2020: USD 2,377 thousands) reflect the reversal of lease expenses for the Group's operating leases under NGAAP (2021: USD 853 thousands, 2020: USD 451 thousands), in addition to the reclass from OPEX to a reduction of revenue (2021: USD 2,940 thousands, 2020: USD 1,926 thousands). The IFRS adjustments are mainly related to the Consumer segment.

For the year ended 31 December 2021 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	26,064	6,942	3,167		-2,502	33,671
Other operating income				28		28
Total revenue	**26,064**	**6,942**	**3,167**	**28**	**-2,502**	**33,699**
Cost of goods sold	9,574	2,708	743	16		13,041
Employee benefit expenses	1,603	3,230	134	10,160		15,127
Other operating expenses	2,177	796	225	14,162	-3,793	13,566
EBITDA	**12,710**	**208**	**2,065**	**-24,310**	**1,291**	**-8,035**

For the year ended 31 December 2020 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	19,188	1,430	2,200		-1,925	20,893
Other operating income				123		123
Total revenue	**19,188**	**1,430**	**2,200**	**123**	**-1,925**	**21,016**
Cost of goods sold	6,363	648	565			7,576
Employee benefit expenses	1,298	1,675	54	6,068		9,094
Other operating expenses	1,212	213	115	9,970	-2,377	9,132
EBITDA	**10,314**	**-1,106**	**1,466**	**-15,914**	**453**	**-4,786**

Major customers

In 2021 the largest customer of the Group accounted for 31% (2020: 47%) of consolidated revenues, mainly allocated to the consumer segment. The second largest customer accounted for 17% of consolidated revenues in 2021 (2020: less than 10%), also mainly allocated to the consumer segment. The Group does not have any other customers that represents more than 10% of the Group's revenue.

Segmental analysis of assets and liabilities

Assets and liabilities by reporting segment is not included in management reporting and is therefore not disclosed separately within the operating segments.

Geographical disaggregation

Reference is made to note 2.2 Revenue for information on the Group's geographical markets.

Non-current operating assets (USD 1,000)	2021	2020
Located in Norway	7,126	6,334
Located in foreign countries	419	170
Total	**7,545**	**6,504**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, and intangible assets.

2.2 Revenue

Airthings Group is a manufacturer of air quality sensors and hardware-enabled software products for air quality, radon measurement and energy efficiency solutions. The Group's revenue from contracts with customers are reported in three main segments as described in note 2.1: Consumer, Business and Professional.

- The consumer segment sells air quality sensors to private customers through retailers and e-commerce.
- The business segment sells air quality solutions to schools, office buildings, and other commercial buildings.
- The professional segment sells measurement solutions which enables inspectors and certified radon professionals to accurately measure, analyze and report on buildings. The professional segment also offers rental of products and calibration services.

ACCOUNTING POLICIES

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all its revenue arrangements, and hence recognizes revenue gross.

Sale of goods

Revenue from the sale of air quality sensors are recognized at the point in time when a performance obligation arising from a contractual obligation with a customer has been met. The Group's performance obligation is satisfied at a point in time, upon delivery or when the goods are packed and shipped, depending on the delivery terms. The payment terms are generally 30 days after the performance obligation is satisfied.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., services or SaaS). Where a contract included several performance obligations, revenue is splitted among the different performance obligations based on relative stand alone selling prices.

In determining the transaction price for the sale of a product, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and any consideration payable to the customer. Revenue is recognized net of any discounts.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of air quality sensors and radon detectors provide customers with a right to return the goods within a specified period. The Group also provides retrospective volume rebates to certain customers once the quantity products purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

Right of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue.

Consideration payable to a customer

Consideration payable to a customer is accounted for as a reduction of the transaction price, unless the payment to the costumer is in exchange for a distinct good or service and the fair value of the distinct good or value can be reasonably estimated. Consideration payable to a customer is estimated when the sale occurs and recognized as a provision (refer to note 3.5). The transaction price is reduced accordingly.

Sale of software as a service (SaaS)

The Group also has revenue from license fees, which are SaaS contracts consisting of a software licensing model where software is licensed on a subscription basis and centralized on Airthings platform. Revenue from SaaS arrangements, where the customer cannot take possession of the software license and where the software license cannot be separated from its related hosting services are considered as "right to access" licenses and revenue is recognized over time (i.e. the subscription period).

Sale of services

Revenue from the rendering of services mainly relates to calibration services delivered in connection with a solution to the business or professional market. These calibration services are sold separately or bundled but do not significantly customize or modify the other products in the contract. Contracts for bundled sales of equipment and calibration services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services. Revenue from these services is recognized over time using an input method to measure progress towards completion of the services, because the customer simultaneously receives and consumes the benefits provided by the Group.

Rental income

Rental income is derived from the rental of equipment such as Corentium Pro in the professional segment. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenues in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Set out below is the disaggregation of the Group's total revenues:

Revenues (USD 1,000)	2021	2020
Revenue from contracts with customers	33,172	20,572
Rental income	499	322
Total revenues	**33,671**	**20,893**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Geographical information (USD 1,000)	2021	2020
EMEA	9,537	5,166
North America (USA and Canada)	23,635	15,406
Total revenue from contracts with customers	**33,172**	**20,572**

The information above is based on the location of the customers.

Timing of revenue recognition (USD 1,000)	2021	2020
Goods transferred at a point in time	31,791	20,222
Subscription and services transferred over time	1,382	349
Total revenue from contracts with customers	**33,172**	**20,572**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

(USD 1,000)	2021	2020
Within one year	110	65
More than one year	175	71
Total	**285**	**136**

The table above does not include remaining performance obligations that are part of contracts with an original duration of one year or less. The remaining performance obligations expected to be recognized in more than one year relate to the delivery of software services (Saas).

Performance obligations

Product sale:

The Group's performance obligation is satisfied at a point in time, upon delivery of the hardware products. Payment is generally due within 30 days after delivery. Revenue recognized at the point of delivery is only recognized for an amount of the consideration that reflects the consideration the Group expects to ultimately be entitled to. The variable consideration is re-assessed at the end of each reporting period and recognized as (or when) the uncertainty is subsequently resolved.

SaaS license fee:

The Group's performance obligation is satisfied over time (as "right to access" licenses). The customer receives the right to access Airthings intellectual property throughout the license period for which revenue is recognized over the license period. The software is run on Airthings' platform and the customer may only access the software through a network (cloud). The customer cannot take possession of the software/code and is not able to run the software on its own server.

Other services:

Other services mainly consist of calibration services provided by the Group in connection with sales in the professional segment. Revenue is recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognizes revenue normally on the basis of hours incurred.

Contract balances:

As the Group's revenues are generally recognized and invoiced upon delivery (goods) or in advance (SaaS subscriptions), the Group does not have a significant amount of contract assets.

Contract liabilities relate to remuneration received in advance for SaaS subscriptions. Subscriptions are normally prepaid by the customer for 12 months. As such, the balance of account at the end of the year mainly represents the Group's deferred revenue related to performance obligations that will be satisfied within 12 months. The Group's contract liabilities are disclosed in note 3.3.

2.3 Other operating income

ACCOUNTING POLICIES

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants related to an expense item is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, is expensed. Alternatively, such grants are deducted in reporting the related expense. Grants related to assets is recognized by deducting the grant in calculating the carrying amount of the asset. The Group applies a consistent presentation approach to all similar grants.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

Other income

Other operating income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Other operating income (USD 1,000)	2021	2020
Government grants	28	123
Total other operating income	**28**	**123**

Only grants recognized as income are presented in the table above.

Government grants in the consolidated statement of comprehensive income

Grants (USD 1,000)	Line item	2021	2020
Grant from Innovation Norway	Other operating income	28	123
Grant from SkatteFUNN - A	Employee benefit expenses	276	419
Grant from SkatteFUNN - B	Other operating expenses	276	86
Total government grants recognized		**580**	**629**

Grant from innovation Norway

In 2020, Airthings ASA received funds from Innovation Norway related to a R&D project. The Group recognized USD 28 thousands as other operating income in 2021 (2020: USD 123 thousands).

Grant from SkatteFUNN

In 2020, Airthings ASA received funds from SkatteFUNN (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry). In 2021 the Group recognized USD 552 thousands as a cost reduction of R&D expenses, respectively as reduced employee benefit expenses and other operating expenses (2020: USD 505 thousands).

As of 31 December 2021 the Group has recognized a receivable of USD 539 thousands related to the grant from SkatteFUNN (31 December 2020: USD 557 thousands, 1 January 2020: USD 569 thousands) as presented in the table below.

Grant from EU Horizon

Airthings, through the merger with Airtight AS, was in 2018 granted EUR 1.72 million through EUs' Horizon 2020 program. The grant was 70% investment funding of a total project cost of EUR 2.45 million for the period 1 August 2018 to 31 July 2020. The grant was later extended with one year until 31 July 2021. The grant is reported as a reduction in intangible assets.

Government grants in the consolidated statement of financial position

Government grants receivable (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Grant from Innovation Norway		136	399
Grant from Horizon		346	
Grant from SkatteFUNN	539	557	569
Total government grants receivable	**539**	**1,038**	**968**

Government grant receivables are included as other receivables in the consolidated statement of financial position and included in the specification in note 3.2.

As of 31 December 2021, the Group did not have any government grant liabilities (31 December 2020: USD 69 thousands related to EU Horizon grant, 31 December 2019: USD 0).

2.4 Employee benefit expenses

ACCOUNTING POLICIES

Employee benefit expenses comprise all types of remuneration to personnel employed by the Group and are expensed when earned. Ordinary salaries can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pensions contributions are earned on a monthly basis. Shared based payment expenses is related to the Group's share option program (see note 6.8). Other employee expenses consist of other benefits such as insurance, telephones and remuneration to the Board of Directors.

Pensions

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Employee benefit expenses (USD 1,000)	2021	2020
Salaries	12,022	7,160
Social security costs	1,680	1,038
Pension costs	438	264
Share-based payment expenses	608	460
Other employee expenses	380	171
Total employee benefit expenses	**15,127**	**9,094**
Average number of full time employees (FTEs)	105	73

At the end of the reporting period, members of the Board and management held shares and share options in Airthings ASA. For information on remuneration to Management and the Board of Directors, including disclosures on shares and share options held, see note 7.1.

2.5 Other operating expenses

ACCOUNTING POLICIES

Other operating expenses are recognized when they occur and represent a broad range of operating expenses incurred by the Group in its day-to-day activities. Other operating expenses consist of expenses that are not classified on the lines for cost of materials, employee benefit expenses, depreciation and amortization, impairment and income tax expense.

Other operating expenses (USD 1,000)	2021	2020
Marketing	4,744	3,345
External services	4,538	2,897
Freight	1,373	738
Offices	1,207	663
Private placement and listing fees		885
Software	615	360
Other operating expenses	1,089	244
Total other operating expenses	**13,566**	**9,132**

Total operating expenses by function

The table below illustrates the Group's employee benefit expenses and other operating expenses by function. These measures are regularly provided to and reviewed by the Board.

Operating expenses (USD 1,000)	2021	2020
Sales and marketing	19,366	11,685
Research and development	8,110	5,390
General and administrative	1,217	1,152
Total operating expenses	**28,693**	**18,226**

Total research expenses for 2021 were USD 8 million (net of cost reduction from SkatteFUNN, refer to note 2.3), recognized as employee benefit expenses and other operating expenses in the consolidated statement of profit or loss. For 2020 total research expenses were USD 5 million (net of cost reduction from SkatteFUNN, refer to note 2.3).

Remuneration to the auditor (USD 1,000)	2021	2020
Statutory audit fee	103	31
Tax advisory and other services	45	25
Total remuneration to the auditor	**148**	**56**

The amounts above are excluding VAT.

2.6 Depreciation and amortization

ACCOUNTING POLICIES

Depreciation and amortization expenses includes the monthly charge on property, plant and equipment, intangible assets and right-of-use assets over the assets estimated useful lives or lease term. The depreciation and amortization expenses are recognized on a straight-line basis.

Depreciation and amortization expenses (USD 1,000)	Note	2021	2020
Depreciation of property, plant and equipment	5.3	256	158
Depreciation of right-of-use assets	5.4	737	428
Amortization of intangible assets	5.1	342	149
Total depreciation and amortization expenses		**1,335**	**736**

2.7 Finance income and costs

ACCOUNTING POLICIES

Interest income and interest expenses are calculated using the effective interest method.

Foreign currency gains or losses are reported as foreign exchange gain or foreign exchange loss in finance income or finance costs, except for currency translation effects from translation of foreign subsidiaries and the parent company which are presented within OCI. For other accounting policies related to the underlying financial instruments, reference is made to note 6.1

Interest costs on lease liabilities represent the interest rate used to measure the lease liabilities recognized in the consolidated statement of financial position (see note 5.4 for further information).

Finance income (USD 1,000)	2021	2020
Interest income	102	19
Other finance income		1
Foreign exchange gain	221	
Total finance income	**323**	**20**

Finance costs (USD 1,000)	2021	2020
Interest expenses	15	107
Interest expense on lease liabilities	217	149
Foreign exchange loss		417
Other finance costs	37	
Total finance costs	**268**	**673**

Foreign exchange (USD 1,000)	2021	2020
Foreign exchange gain	6,350	4,088
Foreign exchange loss	6,129	4,504
Net foreign exchange gain (loss)	**221**	**-417**

Interest income and expenses

Interest income represents mainly interest income on cash deposits, and interest expenses represents mainly interest expenses on lease liabilities, measured and classified at amortized cost in the consolidated statement of financial position.

2.8 Income tax

ACCOUNTING POLICIES

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax liabilities/ deferred tax assets are recognized in line with IAS 12. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for taxable temporary differences.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. As most of the deferred tax assets and liabilities relates to Airthings ASA (parent company), these are to a large extent offset in the consolidated financial statements.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has USD 20 266 thousand as at 31 December 2021 (USD 11 749 thousand as at 31 December 2020 and USD 2 032 thousand as at 1 January 2020) of tax losses carried forward in the parent company, which have been fully recognized as deferred tax assets in the consolidated financial statements, as the Group consider it to be probable that these taxable losses may be utilized in the near future.

When assessing the probability of utilizing these losses, the Group considers factors such as:

Positive evidence

- Unused tax losses relate to the parent company Airthings ASA, where most of the Groups operations are located, and there are no maturity related to usage of such losses according to the Norwegian applicable tax regulation.
- The recent losses which form the basis of the deferred tax asset have been according to budget and is a result of the Group's significant growth strategy. The losses are mainly

caused by significant R&D, marketing, and sales investments. Going forward, investment activity in % of revenues is expected to decrease. Further, before the Group initiated its significant growth strategy, it has a history of being profitable. Within the near future, the Group expects that taxable profit will allow the deferred tax asset to be recovered.

Negative evidence

- Airthings ASA has not sufficient other tax increasing temporary differences which the unused tax losses can be utilized against
- The Group has limited tax planning opportunities available at the moment (e.g. group contribution) as Airthings ASA is the only Norwegian entity in the Group.

Overall, the Group has as of 31 December 2021 determined that the positive evidence outweighs existing negative evidence to support recognition of deferred tax assets and thus the 50% probability threshold ("more likely than not") is considered as passed. However, there are uncertainties connected with the Group's forecasts of taxable profit. If the Group had concluded that the 50 % probability threshold was not met, and decided not to recognized deferred tax assets (limited to partly recognition or no recognition at all), this would have caused a decrease in deferred tax assets, decrease in negative tax expense and in the end a decrease in equity. No recognition at all of deferred tax assets related to taxable losses would in isolation result in an equity reduction of USD 4 459 thousand as at 31 December 2021.

Current income tax expense (USD 1,000)	**2021**	**2020**
Tax payable	10	-43
Change deferred tax/deferred tax assets (ex. OCI effects)	-2,065	-2,001
Total income tax expense	**-2,055**	**-2,044**

Deferred tax assets (USD 1,000)	**31.12.2021**	**31.12.2020**	**01.01.2020**
Property, plant and equipment	3,682	26	22
Right-of-use assets (net amount)	-98	-138	
Customer contracts	-604	-1,066	-1,038
Other current assets	-100	-26	
Merger	-2,354		-3
Losses carried forward (including tax credit)	-20,266	-11,749	-2,032
Other	-1 592	-1,238	-323
Basis for deferred tax assets	**-21,331**	**-14,192**	**-3,374**
Calculated deferred tax assets	4,685	3,115	742
- Deferred tax assets not recognized	-175	-162	-4
Net deferred tax assets in the statement of financial position	**4,509**	**2,953**	**738**

Deferred tax liabilities (USD 1,000)	**31.12.2021**	**31.12.2020**	**01.01.2020**
Intangible assets		-1,557	
Basis for deferred tax liabilities		**-1,557**	
Calculated deferred tax liabilities		-343	
- Deferred tax not recognized			
Deferred tax liabilities in the statement of financial position		**-343**	

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 20.6% to 22%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the Group. The effect from the statutory income tax rates from other countries (Sweden and USA) on the Group tax rate is very limited as the main operations are in Norway.

The average tax rate for the Group's deferred tax assets are 22% for 31.12.2021, 22% for 31.12.2020 and 22% for 01.01.2020. The average tax rate for the Group's deferred tax liabilities was 22% for 31.12.2020.

A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense (USD 1,000)	**2021**	**2020**
Profit or loss before tax	-9,315	-6,175
Tax expense 22% (Norwegian tax rate)	-2,049	-1,358
Change to prior period tax expense		
Permanent differences*	9	-527
Effects of foreign tax rates	-1	
Effect of not recognizing deferred tax assets	-13	-158
Recognized income tax expense	**-2,055**	**-2,044**

* The permanent differences are related to SkatteFUNN and other non-deductible costs among the Group's entities.

Section 3 - Other operating activities

3.1 Inventories

ACCOUNTING POLICIES

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Components: purchase cost on a first-in/first-out basis (FIFO)
- Finished goods: cost of direct materials, direct wages, packaging and a proportion of manufacturing overheads based on the normal operating capacity

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Finished goods	8,006	4,694	3,306
Components	3,423		
Total inventories at the lower of cost and net realizable value	**11,429**	**4,694**	**3,306**

The increase in inventories in 2021 is a result of increased components prices coupled with a strategy of securing supply in a pressed semiconductor market.

There were no write-downs of finished goods or components in 2021 (2020: USD 26 thousands). There were no reversal of write-down of components or finished goods in the periods presented.

3.2 Trade and other receivables

ACCOUNTING POLICIES

Trade and other receivables

The Group's trade receivables consist solely of amounts receivable from revenue contracts with customers. Trade receivables are generally on terms of 30 days. Other receivables consist mainly of prepaid expenses and government grant receivables related to SkatteFUNN.

Trade and other receivables are financial assets initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Trade and other receivables are subject to impairment by recognizing an allowance for expected credit losses.

Expected credit losses

The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Conditions and policies for considering financial assets as in default and when they are written off are further described in note 6.1.

Trade receivables (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Trade receivables from customers at nominal value	11,950	7,000	4,640
Allowance for expected credit losses	100		
Total trade receivables	**11,850**	**7,000**	**4,640**

Other receivables (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Prepaid expenses	814	433	434
Government grants	539	1 038	968
VAT receivable	305	309	80
Related parties	41	3	21
Other	191	257	115
Total other receivables	**1,889**	**2,041**	**1,618**

The credit risk of financial assets has not increased significantly from initial recognition. The increase in loss allowance is mainly related to the increase in the gross amount of trade receivables.

As at 31 December the ageing analysis of trade receivables is, as follows:

	Trade receivables				
Ageing analysis of trade receivables (USD 1,000)	Not due	< 30 days	31-60 days	>60 days	Total
Trade receivables at 31.12.2021	5,937	2,666	1,177	2,070	**11,850**
Trade receivables at 31.12.2020	5,475	390	472	664	**7,000**
Trade receivables at 01.01.2020	3,887	336	248	169	**4,640**

For details regarding the Group's procedures on managing credit risk, see note 6.4.

3.3 Contract liabilities

ACCOUNTING POLICIES

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract liabilities relate to remuneration received in advance for revenue from contracts with customers as well as the allocated transaction price for the remaining performance obligation. Revenue is recognized when the Group fulfills the performance obligation in the contract. Contract liabilities are shown in the table on the next page:

Contract liabilities (USD 1,000)	31.12.2021	31.12.2020
Amount included at the beginning of the period	**422**	**73**
Addition of new contract liabilities	1,487	639
Performance obligations recognized in the period	-1,014	-290
Total contract liabilities	**894**	**422**
Current contract liabilities	**719**	**351**
Non-current contract liabilities	**175**	**71**

The significant increase in the period's contract liabilities is mainly attributed to the allocated transaction price for the remaining performance obligation related to SaaS contracts, prepaid 12 months in advance.

3.4 Trade and other payables

ACCOUNTING POLICIES

Trade and other payables are liabilities, i.e. present contractual obligations arising from a result of past events where settlement is expected to result in an outflow of resources (payment). Trade payables consist of invoices for goods and services where the Group has received the significant risks and rewards of ownership as at the end of the reporting period. Other payables mainly consist of withholding payroll tax and social security tax.

Trade and other payables are measured at fair value upon initial recognition and subsequently at amortized cost. Trade and other payables are expected to be settled within the normal operating cycle within twelve months after the reporting period.

Trade and other payables (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Trade payables	4,775	2,788	1,384
Government grant liabilities (note 2.3)		69	
VAT payable		34	34
Withholding payroll taxes and social security	976	961	418
Other payables	1,275	287	465
Total trade and other payables	**7,027**	**4,139**	**2,301**

3.5 Provisions

ACCOUNTING POLICIES

Provisions are liabilities with uncertain timing or amount and are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, that is, the amount that an entity would rationally pay to settle the obligation at the end of the financial year or to transfer it to a third party.

The group classifies provisions in the following categories:

- Salary related costs: Contains a provision for accrued holiday pay, accrued bonuses, restructuring (when the Group has approved a formal and detailed restructuring plan, and the restructuring either has commenced or been announced publicly) and other salary related accruals.

- Social security for share based payments: contains a provision for the accrued social security on share options and restrictive share units which will be paid when the options are exercised. Provisions are calculated based on an intrinsic value method. As part of the share-based payment program, employees are required to compensate the Group for social security taxes payable upon exercise. Hence, a corresponding receivable has been recognized as other non-current assets in the balance sheet.
- Other provisions: contains provision for accrued consideration to a customer.

A provision is made and calculated based on management assumptions at the time the provision is made and is updated as and when new information becomes available. All provisions are reviewed at the end of the financial year.

Reconciliation of provisions (USD 1,000)	Salary related costs	Social security for share-based payments	Other provisions	Total
At 1 January 2020	**858**		**1,038**	**858**
Additional provisions made	1,289	1,421	1,953	**2,710**
Amounts used	-858	-112	-1,925	**-971**
Unused amounts reversed				
Currency translation effects		133		**133**
At 31 December 2020	**1,289**	**1,442**	**1,066**	**2,731**
Current provisions				**2,355**
Non-current provisions				**1,442**
At 1 January 2021	**1,289**	**1,442**	**1,066**	**2,731**
Additional provisions made	1,723	-61	2,041	**1,662**
Amounts used	-1,289	-228	-2,502	**-1,517**
Unused amounts reversed		-24		**-24**
Currency translation effects		-39		**-39**
At 31 December 2021	**1,723**	**1,090**	**604**	**2,813**
Current provisions				**2,328**
Non-current provisions				**1,090**

Section 4 - Group structure

4.1 Overview of Group companies

ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of Airthings ASA and its subsidiaries as at 31 December 2021. The subsidiaries are consolidated when control is achieved as defined by IFRS 10. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. However, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group do not have ownership in joint arrangements as defined by IFRS 11, other associates, interests in unconsolidated structured entities or interests in unconsolidated subsidiaries that require disclosure under IFRS 12.

The consolidated entities

The subsidiaries of Airthings ASA are presented below:

Consolidated entities	Office	Funct. CUR	Shareholding	Group's voting ownership share
Airthings America INC	USA	USD	100%	100%
Airthings AB	Sweden	SEK	100%	100%

Airtight AS was a subsidiary of Airthings ASA as of 31 December 2020, but have in 2021 been merged with the parent company. All subsidiaries are included in the consolidated statement of financial position.

4.2 Business combinations

There have been no business combinations during 2021. In 2020, the Group acquired Airtight AS.

ACCOUNTING POLICIES

A business combination is as a transaction or other event in which an acquirer obtains control of one or more businesses. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Determining whether a particular set of assets and activities is a business should be based on whether the integrated set is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for according to IFRS 3 using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at acquisition date according to IFRS 13, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirees' identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss.

Goodwill arises in a business combination when the fair value of consideration transferred exceeds the fair value of identifiable assets acquired less the fair value of identifiable liabilities assumed. Goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units, and tested subsequently for impairment.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In a business combination, the assets acquired and liabilities assumed are valued at fair value at the time of acquisition. The various assets and liabilities are valued on the basis of different models, requiring estimates and assumptions to be made. Goodwill is the residual value in this allocation. Errors in estimates and assumptions can lead to an error in the split of the value between the various assets and liabilities incl. goodwill, but the sum of the total excess values will always be consistent with the purchase price paid.

The economic useful life of intangible assets acquired in a business combination are assessed as either finite or indefinite. Intangible assets with indefinite useful lives are subsequently tested for impairment by assessing the recoverable amount of the CGU to which the intangible assets relates, further described in note 5.2. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment or changes to the amortization period as described in note 5.1. The assumptions applied to determining the economic useful lives in a business combination may involve considerable estimates such as future innovations and developments to software and technology.

Determination of fair values

Fair values have been determined for initial recognition based on the following methods:

Property, plant and equipment acquired in a business combination

The fair value of items of equipment, fixtures and fittings is based on a market or cost approach using quoted market prices for similar items when available and replacement cost when appropriate.

Intangible assets acquired in a business combination

The fair value of technology acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued as a residual after deducting a fair return on all other assets that are part of creating the related cash flows.

Other current assets and liabilities acquired in a business combination

The fair value of other current assets and liabilities acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

Acquisitions in 2020

On 21 August 2020, the Group acquired 100% of the voting shares of Airtight AS ("Airtight"). Airtight is a software company that has developed patented technology to reduce energy waste from commercial buildings. The Airtight solution is enabling a significant reduction of energy waste from buildings. The smart sensor technology monitors and balances energy waste from buildings, using existing ventilation systems.

The transaction is accounted for as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity, on 21 August 2020.

The acquisition-date fair value of the total consideration transferred was USD 5.0 million, whereas USD 1.4 of cash and USD 3.6 million of shares in Airthings ASA. Transaction costs related to legal services of USD 5 thousands were expensed and are included in other operating expenses for 2020.

From the date of acquisition until end of 2020, Airtight AS contributed with a total of USD 25 thousands of revenue and negative USD 25 thousands to the net profit before tax. Further, total revenue of the combined entity would have been USD 20.9 million in 2020 if the business combination had occurred on 1 January 2020.

The following intangible assets outside of goodwill were identified in the Airtight acquisition, including management's expectation of economic useful life:

- Technology - 10 years

Only assets and liabilities where fair value exceeded the carrying amount under other IFRS standards are included in the summary above.

The fair value of the identifiable assets and liabilities of Airtight AS as at the date of acquisition were:

Fair value recognized on acquisition (USD 1,000)	21.08.2020
ASSETS	
Non-current assets	
Intangible assets - Technology	1,678
Property, plant and equipment	32
Total non-current assets	**1,709**
Current assets	
Cash and cash equivalents	163
Other current assets*	533
Total current assets	**696**
Total assets	**2,405**

Fair value recognized on acquisition (USD 1,000)	21.08.2020
Non-current liabilities	
Deferred tax liability	-336
Total non-current liabilities	**-336**
Current liabilities	
Other current liabilities	-214
Total current liabilities	**-214**
Total liabilities	**-550**
Total identifiable net assets at fair value	**-1,855**
Purchase consideration transferred	5,001
Goodwill arising on acquisition	**3,145**
Purchase consideration transferred	
Cash	1,418
Shares in Airthings ASA	3,583
Total purchase consideration transferred	**5,001**

* Other current assets include trade receivables with a fair value of USD 61 thousands (equals the gross contractual amounts receivable). At the date of the acquisition, the Group expected the total amount of the contractual cash flows to be collected.

Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is technical goodwill. The remaining goodwill includes the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognized.

None of the goodwill recognized is expected to be deductible for income tax purposes.

As the Airtight system is integrated with the components of the Group's business segment and management monitors the business on this level, the goodwill arising from the transaction is allocated to the Group's business segment CGU. For impairment considerations of goodwill, reference is made to note 5.2.

Analysis of cash flows on acquisition (USD 1,000)	21.08.2020
Net cash acquired with the subsidiary	163
Cash paid	1,418
Net cash flow from acquisition	**-1,255**

Acquisitions in 2021

The Group did not have any acquisitions in 2021.

Acquisitions after the balance sheet date

The Group did not have any acquisitions after the balance sheet date.

Section 5 - Fixed assets

5.1 Intangible assets

Nature of the Group's intangible assets

The Group's intangible assets mainly comprise of software and systems, internal development projects and technology acquired through the acquisition of subsidiaries.

ACCOUNTING POLICIES

Intangible assets acquired

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Capitalization of internal development costs

Development expenditures on an individual project, which represents new applications, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Other costs are classified as research and are expensed as incurred. These expenses are disclosed in note 2.5.

Useful lives and subsequent measurement

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The initial assessment and review of economic useful lives requires management to make estimates and assumptions on the Group's IP and competition in the future. Changes in the expected useful life are treated as changes in accounting estimates.

(USD 1,000)	Software & systems	Technology	Goodwill	Total
Acquisition cost as at 1 January 2020	**418**			**418**
Additions through acquisitions		1,678	3,145	4,823
Additions	269			269
Currency translation effects	39	92	172	303
Acquisition cost as at 31 December 2020	**727**	**1,770**	**3,317**	**5,814**
Additions	433	141		574
Currency translation effects	-31	-47	-108	-185
Acquisition cost as at 31 December 2021	**1,129**	**1,864**	**3,210**	**6,203**
Accumulated amortization as at 1 January 2020				
Amortization charge for the year	108	41		149
Currency translation effects	11	4		15
Accumulated amortization as at 31 December 2020	**119**	**45**		**164**
Amortization charge for the year	167	176		342
Currency translation effects	-4	-4		
Accumulated amortization as at 31 December 2021	**282**	**217**		**498**
Net book value:				
At 1 January 2020	**418**			**418**
At 31 December 2020	**607**	**1,724**	**3,317**	**5,649**
At 31 December 2021	**848**	**1,647**	**3,210**	**5,704**

Economic life (years)	5	10	Indefinite	
Depreciation plan	Straight-line			

The additions in 2020 are mainly related to the acquisition of Airtight, in addition to a new app for the Pro segment conducted by an external consultancy. The app was completed in late 2020 and amortization commenced. Additions in 2021 relate to implementation of a subscription tool within the Airthings for Business segment.

5.2 Goodwill & impairment considerations

ACCOUNTING POLICIES

Recognized goodwill in the Group is derived from the acquisition of Airtight AS in 2020, see note 4.2 for more information.

Goodwill is an intangible asset which may not individually be recognized as an intangible asset due to the requirements in IAS 38. The value of goodwill is primarily related to synergies, assembled workforce and their competency to generate and commercialize new technology as well as high growth expectations. Goodwill also arises due to the requirement to recognize deferred tax liabilities for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests, and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

According to IFRS 3, goodwill is to be allocated at the acquisition date, to each of the acquirer's CGUs, or groups of CGUs, which are expected to benefit from the business combination. This can include existing CGUs of the acquirer irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The Goodwill from the acquisition of Airtight AS in 2020 was allocated to the business segment CGU. The key assumptions used to determine the recoverable amount of the CGU are disclosed further below.

Impairment considerations

The Group has goodwill which are subject to annual impairment testing. The testing is performed annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

An asset's recoverable amount is the higher of an asset's or CGUs fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group applies the value-in-use model for determining recoverable amount for the purpose of goodwill impairment testing. For more information on the model and key assumptions, see description below.

Goodwill (USD 1,000)	
Gross amount as at 1 January 2020	
Additions through acquisition (see note 4.2)	3,145
Currency translation effects	172
Gross amount as at 31 December 2020	**3,317**
Currency translation effects	-108
Gross amount as at 31 December 2021	**3,210**
Accumulated impairment as at 1 January 2020	
Impairment for the year	
Accumulated impairment as at 31 December 2020	
Impairment for the year	
Accumulated impairment as at 31 December 2021	
Carrying amount as at 1 January 2020	
Carrying amount as at 31 December 2020	**3,317**
Carrying amount as at 31 December 2021	**3,210**

All of the Group's goodwill is allocated to the Business segment CGU.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Business segment - CGU

For impairment testing, goodwill acquired through the business combination of Airtight was allocated to the business segment CGU. Reference is made to note 4.2 for further information on the business combination which occurred in August 2020. The business segment CGU is the smallest identifiable group of assets that generates cash inflows to the Group (that goodwill can be allocated to), and these are largely independent of the cash inflows from other assets.

Basis for determining the recoverable amount

The CGUs recoverable amount has been determined based on its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from detailed budget and forecast calculations for the next four years approved by the Board of Directors. Restructuring activities and significant future investments are excluded from the budgets. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. The recoverable amount is sensitive to revenue growth in the forecast period, the discount rate, expected future cash flows and the terminal growth rate.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment testing of goodwill

The calculation of value in use for the CGU's are most sensitive to the following assumptions:

- Revenue growth
- Free cash flow margin (before tax)
- Pre-tax discount rate
- Terminal growth rate

Revenue growth

The expected growth in revenues are based on the expected growth in the industry and the Group's market share. The growth forecast is based on management's expectations of future conditions in the markets incl. competition. The assumption is presented as the constant average growth rate over the forecast period.

EBITDA margin

The EBITDA margin is determined from an analysis of historical levels before tax, adjusted for expected changes to employee benefit expenses, other expenses, capital expenditures and changes to working capital.

Pre-tax discount rate

The discount rate reflects the current market assessment of the risks specific to the CGU. The pre-tax discount rate is estimated based on the weighted average cost of capital (WACC).

Terminal growth rate

The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets.

The key assumptions used to determine the recoverable amount for the business CGU are presented below. The recoverable amount of the cash generating units are higher than their carrying amount and no impairment loss has been recognized in the current or prior period.

CGU	Revenue growth in the forecast period*	EBITDA margin	Terminal growth rate	Pre-tax discount rate
Business CGU - 31 December 2021	20.3%	9.80%	2.0 %	11.4 %

*Revenue growth rate is based on a compound annual growth rate (CAGR)

Sensitivity analysis

Future events could cause the key assumptions to deviate from the amounts used in the forecast period. The Group has performed a sensitivity analysis for each key assumption; revenue growth in the forecast period, EBITDA margin (before tax), terminal growth rate and the pre-tax discount rate. Management believes that no reasonably possible change in the key assumptions above would cause the carrying amount of the CGU to materially exceed its recoverable amount.

5.3 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Group estimates the asset's or CGUs recoverable amount. The recoverable amount is the higher of an asset's or CGUs fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

No indicators for impairment of property, plant and equipment were identified in the current or prior period.

(USD 1,000)	Furniture and equipment	Rental instruments	Total
Acquisition cost as at 1 January 2020	**372**	**52**	**425**
Additions through acquisitions	47		47
Additions	378	27	404
Currency translation effects	49	4	53
Acquisition cost as at 31 December 2020	**846**	**83**	**929**
Additions	443	53	495
Currency translation effects	-29	-3	-31
Acquisition cost as at 31 December 2021	**1,260**	**132**	**1 393**
Accumulated depreciation as at 1 January 2020	**149**	**12**	**161**
Depreciation for the year	143	15	158
Currency translation effects	13	2	14
Accumulated depreciation as at 31 December 2020	**305**	**29**	**334**
Depreciation for the year	247	9	256
Currency translation effects	-6		-6
Accumulated depreciation as at 31 December 2021	**545**	**39**	**584**
Net book value:			
At 1 January 2020	**223**	**40**	**263**
At 31 December 2020	**541**	**53**	**595**
At 31 December 2021	**715**	**94**	**809**
Economic life (years)	5	5	
Depreciation plan	Straight-line		

5.4 Right-of-use assets and lease liabilities

ACCOUNTING POLICIES

At inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

At the commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an underlying value of less than USD 5 thousands)

For these leases, the Group recognizes the lease payments as operating expenses in the consolidated statement of comprehensive income.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any lease incentives received
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in and index or rate.

The Group presents its lease liabilities as separate line items in the consolidated statement of financial position.

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset includes the corresponding amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (note 5.3). The right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Depreciation is calculated on a straight-line basis.

The Group presents its right-of-use assets as separate line items in the consolidated statement of financial position.

Group as a lessor

The Group does also act as a lessor through the professional segment, where the Group rents out equipment on a short term basis. Such leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The Group does not have finance leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

The Group's assets under operating leases are included as property, plant and equipment and presented as rental instruments in note 5.3.

The Group's rental income under operating leases is included as revenue in the consolidated statement of profit or loss and specified in note 2.2.

The Group's leased assets

The Group leases several assets, mainly office space in Oslo and Bergen, Norway. Additionally, the Group leases office space in Stockholm, Sweden and Fort Worth, Texas, Chicago, Florida and Massachusetts, USA. Leases of office space generally have lease terms between 3 and 10 years. The Group also leases office equipment, however, these are expensed as incurred as they are either considered short-term or of low-value.

The Group's right-of-use assets recognized in the consolidated statement of financial position are presented in the table below:

Right-of-use assets (USD 1,000)	Office space	Other	Total
Balance as at 1 January 2020	**2,542**	**37**	**2,579**
Additions of right-of-use assets	1 254	19	1 273
Depreciation	422	6	428
Currency translation effects	154		154
Balance as at 31 December 2020	**3,528**	**50**	**3,578**
Additions of right-of-use assets	1 536	1	1 537
Depreciation	728	8	737
Currency translation effects	-136		-136
Balance as at 31 December 2021	**4,199**	**59**	**4,241**

Economic life (years)	2-6	6
Depreciation plan	Straight-line	

Expenses in the period related to practical expedients and variable payments (USD 1,000)	2021	2020
Short-term lease expenses	8	6
Low-value assets lease expenses	196	113
Variable lease expenses in the period (not included in the lease liabilities)		
Total lease expenses in the period	**205**	**120**

The lease expenses in the period related to short-term leases are included in other operating expenses in the consolidated statement of comprehensive income, and the payments are presented in the Group's operating activities in the consolidated statement of cash flows.

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Less than one year	999	649	394
1-2 years	994	650	450
2-3 years	1,001	643	455
3-4 years	1,010	635	455
More than four years	1,312	1,513	1,532
Total undiscounted lease liabilities	**5,316**	**4,090**	**3,285**

Changes in the lease liabilities (USD 1,000)	Total
At first time adoption at 1 January 2020	**2,579**
New leases recognized during the period	1,273
Cash payments for the principal portion of the lease liability	-302
Cash payments for the interest portion of the lease liability	-149
Interest expense on lease liabilities	149
Currency translation effects	166
Total lease liabilities at 31 December 2020	**3,716**
Current lease liabilities in the statement of financial position	473
Non-current lease liabilities in the statement of financial position	3,243

Changes in the lease liabilities (USD 1,000)	Total
At 1 January 2021	**3,716**
New leases recognized during the period	1,537
Cash payments for the principal portion of the lease liability (financing activities)	-636
Cash payments for the interest portion of the lease liability (operating activities)	-217
Interest expense on lease liabilities	217
Currency translation effects	-144
Total lease liabilities at 31 December 2021	**4,473**
Current lease liabilities in the statement of financial position	670
Non-current lease liabilities in the statement of financial position	3,803

Lease commitments not included in the lease liabilities

Inflation adjustments

In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office buildings, mainly related to future inflation adjustments which is not included in the initial calculation of lease liabilities. The lease liability and right-of-use asset will be adjusted to reflect the inflation adjustment when the uncertainty related to the adjustment has been resolved, however, due to low inflation forecasts these adjustments are expected to be immaterial.

Extension and termination options

The Group has some lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the Group's business needs. The Group did not include the extension period for leases as part of the lease term when management were not reasonably certain to exercise the option to extend the leases. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Other matters

The Group's leases does not contain provisions or restrictions that impacts that Group's dividend policies or financing possibilities.

Section 6 - Financial instruments and equity

6.1 Overview of financial instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments

The Group's financial instruments are grouped in the following categories:

Financial Assets

Financial assets measured subsequently at amortized cost:

This includes mainly trade receivables and cash and cash equivalents.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. All of the Group's financial assets (i.e. trade receivables and cash and cash equivalents) are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets, primarily applicable to trade receivables, give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the SPPI test.

Reference is made to note 3.2 for information about the Group's policies related to estimating expected credit losses.

Financial Liabilities

Financial liabilities measured subsequently at amortized cost:

Represent the Group's interest-bearing liabilities as well as non-interest bearing liabilities such as trade payables.

The Group does not have derivative financial instruments. None of the Group's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortized cost.

Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognized at fair value plus directly attributable transaction expenses.

Subsequently, these instruments are measured at amortized cost using the effective interest method (EIR). Gains and losses are recognized in profit or loss upon impairment, when the instruments are derecognized as well as through the EIR amortization process.

Impairment of financial assets

Financial assets measured at amortized cost are considered for impairment by recognizing an allowance for expected credit losses (ECLs). The Group applies a simplified approach (as applicable for trade receivables) in calculating ECLs, where the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group bases its ECLs on its historical losses, adjusted for forward-looking factors specific to the debtors and the economic environment (e.g. market trends, default rates in the retail market etc.).

Derecognition of financial instruments

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, the Group has transferred its rights to receive cash flows from the asset or the Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

The carrying amount of the Group's financial assets and liabilities are presented in the tables below:

31 December 2021 (USD 1,000)	Note	Financial instruments at amortized cost	Total
Assets			
Trade receivables	3.2	11,850	**11,850**
Cash and cash equivalents	6.6	42,174	**42,174**
Total financial assets		**54,024**	**54,024**
Liabilities			
Non-current interest-bearing liabilities	6.2		
Current interest-bearing liabilities	6.2		
Trade payables	3.4	4,775	**4,775**
Non-current lease liabilities	5.4	3,803	**3,803**
Current lease liabilities	5.4	670	**670**
Total financial liabilities		**9,248**	**9,248**

Significant finance income and finance costs arising from the Group's financial instruments are disclosed separately in note 2.7.

31 December 2020 (USD 1,000)	Note	Financial instruments at amortized cost	Total
Assets			
Trade receivables	3.2	7,000	**7,000**
Cash and cash equivalents	6.6	62,943	**62,943**
Total financial assets		**69,944**	**69,944**
Liabilities			
Non-current interest-bearing liabilities	6.2		
Current interest-bearing liabilities	6.2	1,901	**1,901**
Trade payables	3.4	2,788	**2,788**
Non-current lease liabilities	5.4	3,243	**3,243**
Current lease liabilities	5.4	473	**473**
Total financial liabilities		**8,405**	**8,405**

1 January 2020 (USD 1,000)	Note	Financial instruments at amortized cost	Total
Assets			
Trade receivables	3.2	4,640	**4,640**
Cash and cash equivalents	6.6	5,589	**5,589**
Total financial assets		**10,229**	**10,229**
Liabilities			
Non-current interest-bearing liabilities	6.2	2,037	**2,037**
Current interest-bearing liabilities	6.2		
Trade payables	3.4	1,384	**1,384**
Non-current lease liabilities	5.4	2,319	**2,319**
Current lease liabilities	5.4	260	**260**
Total financial liabilities		**6,000**	**6,000**

6.2 Interest-bearing liabilities

Specification of the Group's interest-bearing liabilities

Non-current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	31.12.2021	31.12.2020	01.01.2020
Term loan, DNB (NOK)	8.50%	01.08.2022*			1,012
Term loan, Innovation Norway (NOK)	4.45%	10.01.2026**			1,025
Total non-current interest-bearing liabilities					**2,037**

Current interest-bearing liabilities (USD 1,000)	Interest rate	Maturity	31.12.2021	31.12.2020	01.01.2020
Term loan, DNB (NOK)	8.50%	01.08.2022*		846	
Term loan, Innovation Norway (NOK)	4.45%	10.01.2026**		1,055	
Total current interest-bearing liabilities				**1,901**	

* In mid 2019, the Group entered a loan agreement with DNB and received funds of USD 1,125 thousands on 1 August 2019. The term loan was initially repaid in monthly installments over three years with an interest rate of 8.5%, but was settled in full in January 2021.

** In 2018, the Group entered into a loan agreement with Innovation Norway and received of USD 1,025 thousands on 9 January 2019. The term loan was initially repaid in quarterly installments over five years starting from 10 January 2021 with an interest rate of 4.45%, but was settled in full in January 2021.

The reconciliation of changes in liabilities incurred as a result of financing activities are presented in note 6.10. Assets pledged as security for loans and borrowings are presented in the table below:

Assets pledged as security & guarantee liabilities (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Secured balance sheet liabilities:			
Interest-bearing liabilities to financial institutions		1,901	2,037
Value of assets pledged as security for secured liabilities:			
Trade receivables	1,134	2,227	2,164
Inventories	1,134	2,227	2,164
Property, plant and equipment	1,134	2,227	2,164
Total assets pledged as security	**3,402**	**6,680**	**6,492**

The Group has not given any guarantees to or on behalf of third parties in the current and previous period.

6.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities is presented below:

		Remaining contractual maturity					
31.12.2021 (USD 1,000)	**Note**	**1-12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**More than 4 years**	**Total**
Financial liabilities							
Non-current interest-bearing liabilities	6.2						
Current interest-bearing liabilities	6.2						
Trade and other payables	3.4	7 027					**7,027**
Non-current lease liabilities	5.4		994	1,001	1,010	1,312	**4,316**
Current lease liabilities	5.4	999					**999**
Total financial liabilities		**8 026**	**994**	**1,001**	**1,010**	**1,312**	**12,343**

		Remaining contractual maturity					
31.12.2020 (USD 1,000)	**Note**	**1-12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**More than 4 years**	**Total**
Financial liabilities							
Non-current interest-bearing liabilities	6.2						
Current interest-bearing liabilities	6.2	1,901					**1,901**
Trade and other payables	5.4	4,139					**4,139**
Non-current lease liabilities	5.4		650	643	635	1,513	**3,441**
Current lease liabilities	5.4	649					**649**
Total financial liabilities		**6,689**	**650**	**643**	**635**	**1,513**	**10,130**

		Remaining contractual maturity					
01.01.2020 (USD 1,000)	**Note**	**1-12 months**	**1-2 years**	**2-3 years**	**3-4 years**	**More than 4 years**	**Total**
Financial liabilities							
Non-current interest-bearing liabilities	6.2			1,012		1,025	**2,037**
Current interest-bearing liabilities	6.2						
Trade and other payables	5.4	2,301					**2 301**
Non-current lease liabilities	5.4		450	455	455	1,532	**2,891**
Current lease liabilities	3.4	394					**394**
Total financial liabilities		**2,695**	**450**	**1 467**	**455**	**2,557**	**7,623**

6.4 Financial risk management

Overview

The Group's principal financial liabilities comprise lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Groups' operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Group seeks to minimize potential adverse effects of such risks through sound business practice, risk management and hedging.

Risk management is a continuous process and an integrated part of the Group's business. When operating across multiple markets, Airthings is exposed to a range of risks that may affect its business. The key risk areas are discussed below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include interest bearing debt, cash and cash and cash equivalents, trade receivables, lease liabilities and trade and other payables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's borrowings have historically been exposed to interest rate fluctuations. As all borrowings were repaid in January 2021, the Group does no longer have any significant interest rate risk related to interest-bearing liabilities.

Interest rate sensitivity

The sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax, is illustrated below. In calculating the sensitivity analyses, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax (USD 1,000)
31 December 2021	+/- 50	
31 December 2020	+/- 50	10
1 January 2020	+/- 50	10

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency fluctuations due to the international nature of its operations. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. A significant part of revenues is denominated in USD, with a small portion incurred in NOK, EUR and CAD. Most of its operating expenses are incurred in NOK. Further, the Group could also potentially be negatively affected by fluctuations in other currencies in the future. The Group does not currently hedge currency exposure with the use of financial instruments but monitors the net exposure over time.

Foreign currency sensitivity

The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates related to the Group's financial assets and liabilities in the period, holding all other variables constant:

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax (USD 1,000)
Increase / decrease in NOK/USD	31.12.2021	+/- 10%	526
Increase / decrease in NOK/USD	31.12.2020	+/- 10%	502
Increase / decrease in NOK/USD	01.01.2020	+/- 10%	362

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax (USD 1,000)
Increase / decrease in NOK/CAD	31.12.2021	+/- 10%	470
Increase / decrease in NOK/CAD	31.12.2020	+/- 10%	115
Increase / decrease in NOK/CAD	01.01.2020	+/- 10%	41

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax (USD 1,000)
Increase / decrease in NOK/EUR	31.12.2021	+/- 10%	267
Increase / decrease in NOK/EUR	31.12.2020	+/- 10%	216
Increase / decrease in NOK/EUR	01.01.2020	+/- 10%	97

Credit risk

Credit risk represents the possibility of a counterparty not meeting its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities.

The credit risk is low in the Consumer segment, where most sales are based on upfront or simultaneous payment, and the Group may also seek advance payments to offset risk on trade receivables in the other segments. The Group has close connection with its customers and receivable balances are monitored on an ongoing basis. It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity, and financial position.

The Group's exposure to losses have historically been low. However, the increased operations of the Group outside the US and home market exposes Airthings to different credit risk environments. The Board of Directors deems credit risk to be at an acceptable level given the current operational circumstances and outlook of the Group.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance. For an overview of the ageing of trade receivables and the expected credit losses recognized for trade receivables see note 3.2.

Liquidity risk

Liquidity represents the risk that the Group may potentially encounter difficulties in meeting obligations associated with financial liabilities that are settled by provision of cash or another financial asset. The Group supervises its risk by monitoring its working capital, and overdue trade receivables. The Group has a strong cash position of USD 42 million, which the Board of Directors consider sufficient to fund the Group's growth strategy towards in long-term revenue targets. The liquidity risk is hence considered to be limited.

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 6.3 and 6.10.

6.5 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the current risk free interest rates.

Interest-bearing liabilities

The fair values of the Group's interest-bearing loans and borrowings are determined by using the discounted cash flow (DCF) method using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2021 was assessed to be insignificant.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Liabilities disclosed at fair value (USD 1,000)	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Interest-bearing liabilities (note 6.2)	31.12.2021					
Interest-bearing liabilities (note 6.2)	31.12.2020	1,901	1,901		X	
Interest-bearing liabilities (note 6.2)	01.01.2020	2,037	2,037		X	

The Group had no interest-bearing debt as of 31 December 2021.

6.6 Cash and cash equivalents

ACCOUNTING POLICIES

Cash and cash equivalents in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits. Restricted bank deposits comprise of cash for withholding taxes which may not be used for other purposes, in addition to restricted funds related to a credit agreement with DNB MasterCard and restricted deposits in Nordea.

Cash and cash equivalents (USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Bank deposits, unrestricted	40,846	61,800	5,352
Bank deposits, restricted	1,328	1,143	238
Total cash and cash equivalents	**42,174**	**62,943**	**5,589**

Bank deposits earns a low interest at floating rates based on the bank deposit rates.

6.7 Share capital and shareholders information

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy working capital and financial stability in order to support its growing business operations and to maximize shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue debt. The Group monitors capital using an equity ratio, which is 'Total equity' divided by 'Total assets'.

(USD 1,000)	31.12.2021	31.12.2020	01.01.2020
Total Equity	67,842	76,648	10,300
Total Assets	83,680	90,976	19,190
Equity ratio	**81%**	**84%**	**54%**

ACCOUNTING POLICIES

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if sold, is recognized as other equity.

Costs related to equity transactions

Direct and incremental transaction costs are deducted from equity, net of associated income tax.

Distribution to shareholders

The Group recognizes a liability to make distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

No distributions were made to shareholders in the current or prior period. Further, there are no proposed dividends.

The ultimate parent

Airthings ASA is the ultimate parent of the Group.

Issued capital and reserves:

Share capital in Airthings ASA	Number of shares authorized and fully paid	Par value per share (NOK)	Financial Position (USD 1,000)
At 1 January 2020	**567 729**	**1.00**	**65**
Share capital increase - April 2020	55 658	1.00	5
Share capital increase - July 2020	18 466	1.00	2
Share capital increase - August 2020	21 453	1.00	2
Share capital increase - October 2020	663 306	1.00	71
Share split (1:200) - October 2020	131 334 588		
Share capital increase - October 2020	37 037 037	0.01	41
Share capital increase - October 2020	608 000	0.01	1
Share capital increase - November 2020	299 400	0.01	0
At 31 December 2020	**170 605 637**	**0.01**	**188**
Share capital increase - February 2021	523 400	0.01	1
Share capital increase - April 2021	112 900	0.01	0
Share capital increase - July 2021	289 600	0.01	0
Share capital increase - October 2021	284 900	0.01	0
At 31 December 2021	**171 816 437**	**0.01**	**190**

All shares are ordinary and have the same voting rights and rights to dividends. Reconciliation of the Group's equity is presented in the statement of changes in equity.

Purchase and sale of treasury shares

The Group's treasury shares were settled in connection with the listing at Euronext Growth in 2020.

The Group's shareholders:

Shareholders in Airthings ASA at 31.12.2021	Total shares	Ownership/Voting rights
Firda AS	25 826 543	15%
Verdipapirfondet KLP AksjeNorge	7 762 222	5%
Rabakken Invest AS	5 800 364	3%
Atlas Invest AS	5 637 468	3%
Halvor Wøien	4 879 522	3%
Erlend Peter Johnsen Bolle	4 819 722	3%
Victoria India Fund AS	4 558 131	3%
J.P. Morgan Bank Luxembourg S.A.	4 433 967	3%
Bjørn Magne Sundal	4 364 999	3%
Koki Yoshioka	4 166 650	2%
JPMorgan Chase Bank	4 000 000	2%
Verdipapirfondet EIKA Spar	3 382 067	2%
Skandinaviska Enskilda Banken AB	3 025 292	2%
Skilling Systemer AS	3 000 000	2%
Danske Invest Norge Vekst	2 962 962	2%
Møsbu AS	2 814 236	2%
Verdipapirfondet Storebrand Norge	2 657 876	2%
Longfellow Invest AS	2 453 534	1%
Nore-Invest AS	2 450 659	1%
Storlien Invest AS	2 427 533	1%
Other	70 392 690	41%
Total	**171 816 437**	**100%**

Shares held by management and the Board of Directors at the end of the reporting period is disclosed in note 7.1.

Shareholders in Airthings ASA at 31.12.2020	Total shares	Ownership/Voting rights
Firda AS	24 949 613	15%
Rabakken Invest AS	8 300 364	5%
Verdipapirfondet KLP Aksjenorge	8 062 222	5%
Atlas Invest AS	5 637 468	3%
Verdipapirfondet Norge Selektiv	4 984 704	3%
Bjørn Magne Sundal	4 851 853	3%
Halvor Wøien	4 829 522	3%
Erlend Peter Johnsen Bolle	4 819 722	3%
Skilling Systemer AS	4 350 763	3%
J.P. Morgan Bank Luxembourg S.A.	4 258 660	2%
Koki Yoshioka	4 166 650	2%
JPMorgan Chase Bank, N.A., London	4 000 000	2%
Danske Invest Norge Vekst	2 962 962	2%
Verdipapirfondet DNB Norge	2 962 962	2%
Storebrand Norge I Verdipapirfond	2 901 978	2%
Møsbu AS	2 814 236	2%
HSBC Trinkaus & Burkhardt AG	2 770 974	2%
Verdipapirfondet DNB SMB	2 664 451	2%
Longfellow Invest AS	2 427 534	1%
Storlien Invest AS	2 427 533	1%
Other	65 461 466	38%
Total	**170 605 637**	**100%**

Shares held by management and the Board of Directors at the end of the reporting period is disclosed in note 7.1.

Shareholders in Airthings ASA at 01.01.2020	Total shares	Ownership/Voting rights
Firda AS	146 876	26%
Rabakken Invest AS	49 140	9%
Atlas Invest AS	41 600	7%
Halvor Wøien	30 061	5%
Erlend Peter Johnsen Bolle	30 000	5%
Bjørn Magne Sundal	30 000	5%
Longfellow Invest AS	29 685	5%
Skilling Systemer AS	27 081	5%
Other	183 286	32%
Total	**567 729**	**100%**

Shares held by management and the Board of Directors at the end of the reporting period is disclosed in note 7.1.

6.8 Share-based payments

ACCOUNTING POLICIES

Employees (including members of the Board and management) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using

an appropriate valuation model (the Black-Scholes-Merton Model).

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Share option plans - description

Option scheme 2018

Under the Group's share option plan from 2018, rights to purchase Airthings ASA shares at a specific price are granted to members of the Board, management and employees of the Group. Each option grant vest as follows: 25% of the options are vested 12 months from the grant date, then 1/48 vest each month thereafter. Full vesting occurs after four years and last possible exercise is 10 years from grant date.

Option scheme 2021

Options granted after the Annual General Meeting 2021 vests with equal tranches with 25% each year starting on the first anniversary of the grant date. The options can be exercised after they are fully vested until they expire 5 years after the grant date.

The Group accounts for the share options under the two option schemes as equity-settled transactions, measured by applying the Black-Scholes-Merton option-pricing model for European options ("BSM"). Share options held by members of the Board and management at the end of the reporting period are summarized in note 7.1.

The fair value of the options were determined at the grant dates and expensed over the vesting period. USD 608 thousands was expensed as employee benefit expenses in the period (USD 460 thousands in 2020). The expected future social security tax on share based payments are recorded as a liability and disclosed in note 3.5.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2021 WAEP (NOK)	2021	2020 WAEP (NOK)	2020
Outstanding options 1 January	2.08	9 715 824	1.42	9 541 600
Options granted	9.36	1 744 156	5.00	1 690 824
Options forfeited	4.71	-372 923	1.49	-352 400
Options exercised*	1.40	-1 210 800	1.11	-1 164 200
Options expired				
Outstanding options 31 December		**9 876 257**		**9 715 824**
Exercisable at 31 December				

* The weighted average exercise price at the date of exercise of these options was NOK 1.40 in 2021, and NOK 1.11 in 2020.

The weighted average remaining contractual life for the options outstanding as at 31 December 2021 was 6.06 years (2020: 7.27 years). The weighted average fair value of options granted during the year was NOK 4.05 (2020: NOK 3.46).

Overview of outstanding options at 31.12.2021:

	Exercise price (NOK)	Number of outstanding options	Weighted Average remaining contractual life	Number of options exercisable
	0.00 - 2.00	5 226 600	5.34	4 747 800
	2.00 - 4.00	2 427 000	7.70	1 265 800
	4.00 - 6.00	120 000	8.58	29 600
	6.00 - 8.00	281 800	8.68	132 064
	8.00 - 10.00	1 447 874	4.60	2 708
	10.00 - 12.00	106 971	6.69	2 845
	12.00 -	266 012	9.13	23 792
Outstanding options 31 December		**9 876 257**		**6 204 609**

Overview of outstanding options at 31.12.2020:

	Exercise price (NOK)	Number of outstanding options	Weighted Average remaining contractual life	Number of options exercisable
	0.00 - 2.00	6 162 000	6.32	4 901 800
	2.00 - 4.00	2 923 000	8.75	592 800
	4.00 - 6.00	160 000	9.62	
	6.00 - 8.00	380 000	9.68	
	8.00 - 10.00			
	10.00 - 12.00	10 509	9.88	
	12.00 -	80 315	9.92	
Outstanding options 31 December		**9 715 824**		**5 494 600**

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the options, volatility and dividend yield and making assumptions about them. Due to limited historical data and liquidity these assumptions include significant estimates by management.

Assumptions used to determine fair value of option grants:

The following table list the inputs to the model used for the plans for the years ended 31 December 2021 and 31 December 2020, respectively:

	2021	2020
Weighted average fair values at the measurement date (NOK)	4.05	3.46
Dividend yield (%)	0%	0%
Expected volatility (%)	45.6%	48.9%
Risk-free interest rate (%)	1.20%	0.95%
Expected life of share options (years)	5.79	9.99
Weighted average share price (NOK)	9.67	5.66
Weighted average exercise price (NOK)	9.36	5.08
Model used	BSM	BSM

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Exercise of options are subject to social security taxes (SST). For SST-provisions, see note 3.5.

6.9 Earnings per share

ACCOUNTING POLICIES

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the EPS calculations:

(Profit or loss in USD)	2021	2020
Profit or loss attributable to ordinary equity holders - for basic EPS	-7 260 506	-4 130 864
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-7 260 506	-4 130 864
Weighted average number of ordinary shares - for basic EPS	171 306 689	131 891 490
Weighted average number of ordinary shares adjusted for the effect of dilution	178 442 358	140 197 370
Basic EPS - profit or loss attributable to equity holders of the parent	-0.04	-0.03
Diluted EPS - profit or loss attributable to equity holders of the parent*	-0.04	-0.03

*The ordinary shares are not adjusted for the effect of dilution as the effect of including the additional shares is antidilutive.

6.10 Changes in liabilities arising from financing activities

Reconciliation of changes in liabilities incurred as a result of financing activities:

2021 (USD 1,000)	Note	01.01. 2021	Cash flow effect	Non-cash changes			31.12. 2021
				New leases	Foreign exchange movement	Other changes	
Non-current interest-bearing liabilities	6.2						
Current interest-bearing liabilities	6.2	1 901	-1 905			4	
Lease liabilities	5.4	3 716	-853	1 537	-144	217	**4 473**
Total liabilities from financing		**5 617**	**-2 758**	**1 537**	**-144**	**221**	**4 473**

2020 (USD 1,000)	Note	01.01. 2021	Cash flow effect	Non-cash changes			31.12. 2021
				New leases	Foreign exchange movement	Other changes	
Non-current interest-bearing liabilities	6.2	2 037	-284		41	-1 795	
Current interest-bearing liabilities	6.2					1 901	**1 901**
Lease liabilities	5.4	2 579	-451	1 273	166	149	**3 716**
Total liabilities from financing		**4 616**	**-735**	**1 273**	**207**	**255**	**5 617**

Section 7 - Other disclosures

7.1 Remuneration to Management and Board

Remuneration to the Board of Directors

Remuneration for the members of the Board is determined by the Annual General Meeting (AGM). The remuneration is not linked to the Group's performance but reflects the Board's responsibilities, expertise, time and commitment. Remuneration of the Board of Directors consist of a fixed annual fee, and was adopted by the General Meeting on May 5, 2021. Annual remuneration is USD 23 thousands for the Chairman and USD 23 thousands for Board Members, whereof 50% shall be paid out in advance and 50% in arrears. Employee representatives do not receive remuneration nor share options for board participation.

Remuneration to the management team

The Board of Airthings ASA determines the principles applicable to the Group's policy for compensation to the management team. The Board is directly responsible for determining the CEO's salary and other benefits. The Group's management team includes the Chief Executive Officer ("CEO"), the Chief Operating Officer ("COO"), the Chief Product Officer ("CPO"), the Chief Marketing Officer ("CMO"), the Chief Financial Officer ("CFO"), the SVP Airthings for Business, SVP Airthings for Consumer, and the Director of Human Resources ("Director of HR").

Principles for determining base salary

The main principle for determining base salary for each member of the management team has been a fixed annual salary with the addition of benefits in kind such as telephone, insurance and internet subscription subscription. The fixed salary has been determined on the basis of the following factors: competitive salary level, scope of work and responsibilities, as well as an assessment of the business and individual performance.

Bonus

In addition to base salary, the CEO and COO has a performance based bonus agreement up to 40% (CEO) and 30% (COO) of base salary. The criteria for bonus realization is determined 50% on achievement of KPIs, and 50 % is discretionary set by the Board. SVP Airthings for Business and SVP Consumer products have an agreement of bonus up to 30% of base salary. The criteria for bonus achievement is based on the sales teams total budget. The other part of the management team has an agreement of bonus up to USD 14 thousands with criteria for realization on a wide number of KPI targets.

Pension

All members of the management team are part of the defined contribution pension scheme.

Share-based payment benefits

Members of the management team and members of the Board have been granted share options under the Group's share option plan, described in note 6.8. The share options held by the management team is summarized further below.

Severance Arrangements

If the CEO is terminated by the Board, he is not entitled to severance pay outside of the ordinary notice period of 3 months. Similarly, there are no agreements for severance pay for the other members of the management team, outside of the ordinary notice period of 3 months.

Loans and guarantees

No loans have been granted and no guarantees have been issued to members of the management team or any member of the Board of Director in the current or prior reporting period.

Remuneration to the management team for the year ended 31 December 2021 (USD 1,000 [1]):

Name	Title	Salary	Bonus	Pension	Other	Total
Øyvind Birkenes	CEO	228	49	8	1	286
Magnus Navdal Bekkelund	CFO [2]	63		2		65
Audhild Andersen Randa	COO [2]	63		2		65
Erlend Bolle	CPO	137	8	7	1	153
Lauren Pedersen	CMO	159	8	8	1	176
Torje Carlsson	SVP, Airthings for Consumer	152	39	8	1	200
Pål Berntsen	SVP, Airthings for Business	151	40	8	1	200
Erik Lundby	Former CFO [3]	80	8	6		94
Koki Yoshioka	Former COO [3]	82	8	7	1	98
Jonas Olsson	Former VP R&D Hardware Products [3]	83	8	8	1	100
Alexander Sagen	Former VP R&D Software Solutions [3]	65	8	6	3	82
Total		**1 262**	**177**	**68**	**12**	**1 519**

1 Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
2 Compensation is only reflected for the period that the executive was a part of management which was from 1 August, 2021.
3 Compensation is only reflected for the period that the executive was a part of management which was until 31 July, 2021.

Remuneration to the management team for the year ended 31 December 2020 (USD 1,000 [1]):

Name	Title	Salary	Bonus	Pension	Other [2]	Total
Øyvind Birkenes	CEO	182	38	6	731	957
Erlend Bolle	CTO	120	5	5	1	132
Koki Yoshioka	COO	125	5	6	1	137
Lauren Pedersen	CMO	112		6	17	135
Erik Lundby	CFO	45		2		47
Pål Berntsen	SVP, Airthings for Business	130	37	6	29	202
Torje Carlsson	SVP, Airthings for Consumer	132	36	6	1	175
Jonas Olsson	VP R&D Hardware Products	84		6	1	90
Alexander Sagen	VP R&D Software Solutions	96	5	4	13	118
Total		**1 025**	**128**	**46**	**795**	**1 995**

1 Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
2 Other compensation includes exercised options during the period (excluding social security tax). The following members of the management team exercised options during 2020: Øyvind Birkenes: 608,000 options (strike price: NOK 0.51 - 3.36). Pål Berntsen: 27,000 options (strike price: NOK 1.45). Alexander Sagen: 10,000 options (strike price: NOK 0.70)

Remuneration to the Board of Directors for the year ended 31 December (USD 1,000 [1]):

Name	Title	2021	2020 [6]
Aksel Lund Svindal	Chairman of the Board [2]	12	
Geir Førre	Board member [3]	12	19
Liv Dyrnes	Board member	12	11
Lars Boilesen	Board member	12	11
Emma Tryti	Board member [4]		
Karin Berg	Board member [4]		
Anlaug Underdal	Board member - Employee representative		8
Tore Rismyhr	Board member - Employee representative		14
Audhild Andersen Randa	Former Board member [5]		11
Total compensation to Board of Directors		**48**	**74**

1 Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
2 Board member in 2020
3 Chairman of the Board in 2020
4 New board member from the extraordinary general meeting held on 28 October, 2021.
5 Board member until July 2021
6 Total remuneration includes remuneration related to options exercised during the period. The following Board members exercised options during 2020 (no exercises in 2021): Anlaug Underdal: 13,000 options (strike price: NOK 0.70). Tore Rismyhr: 16,200 options (strike price: NOK 3.36)

Shares held by the management team:

Name	Title	31.12.2021	31.12.2020
Øyvind Birkenes [1]	CEO	2 824 114	2 798 114
Magnus Navdal Bekkelund	CFO	7 500	
Audhild Andersen Randa	COO	25 000	
Erlend Bolle	CPO	4 819 722	4 819 722
Lauren Pedersen [2]	CMO	315 621	255 400
Torje Carlsson [3]	SVP Airthings for Consumer	360 000	360 000
Pål Berntsen [4]	SVP Airthings for Business	518 200	518 200
Erik Lundby [5]	Former CFO		146 811
Koki Yoshioka	Former COO		4 166 650
Jonas Olsson	Former VP R&D Hardware Products		31 800
Alexander Sagen	Former VP R&D Software Solutions		110 000
Total		**8 870 157**	**13 206 697**

1 Privately and through Longfellow Invest AS
2 Through Lato Invest AS
3 Through Carlsson Invest AS
4 Privately and through Dube Invest AS
5 Through Calluna AS

Shares held by the Board of Directors:

Name	Title	31.12.2021	31.12.2020
Aksel Lund Svindal	Chairman of the Board [1]	1 141 978	1 088 133
Geir Førre	Board member [2]	25 826 543	24 949 613
Liv Dyrnes	Board member	17 500	7 500
Lars Boilesen	Board member	100 000	
Emma Tryti	Board member [3]		
Karin Berg	Board member [3]		
Anlaug Underdal	Board member - Employee representative	46 000	42 800
Tore Rismyhr	Board member - Employee representative	63 800	63 800
Audhild Andersen Randa	Former Board member [4]		15 000
Total		**27 195 821**	**26 166 846**

1 Through A Management AS. Board member in 2020
2 Through Firda AS. Chairman of the Board in 2020
3 New board member from the extraordinary general meeting held on 28 October, 2021
4 Board member until July 2021

Share options held by the management team as at 31.12.2021:

Name	Title	31.12.2021	Strike price (NOK)	Remaining life (years)
Øyvind Birkenes	CEO	2 086 600	0.51 - 8.56	3.66 - 7.01
Magnus Navdal Bekkelund	CFO	46 584	8.56 - 13.35	4.42 - 9.13
Audhild Andersen Randa	COO	120 000	8.56	4.42
Erlend Bolle	CPO	70 000	8.56	4.42
Lauren Pedersen	CMO	285 000	3.36 - 8.56	4.42 - 8.1
Torje Carlsson	SVP Airthings for Consumer	761 200	1.45 - 8.56	4.42 - 7.0
Pål Berntsen	SVP Airthings for Business	548 000	1.45 - 8.56	4.42 - 7.0
Total		**3 917 384**		

Share options held by the management team as at 31.12.2020:

Name	Title	Outstanding options	Strike price (NOK)	Remaining life (years)
Øyvind Birkenes	CEO	1 936 600	0.51 - 3.36	4.66 - 8.01
Lauren Pedersen	CMO	200 000	3.36	9.10
Torje Carlsson	SVP Airthings for Consumer	686 200	1.45	8.00
Pål Berntsen	SVP Airthings for Business	473 000	1.45	8.00
Erik Lundby	Former CFO	160 000	7.52	9.65
Koki Yoshioka	Former COO			
Jonas Olsson	Former VP R&D Hardware Products	200 000	3.36	9.25
Alexander Sagen	Former VP R&D Software Solutions	192 400	0.7 - 1.45	6.42 - 7.92
Total		**3 848 200**		

Share options held by the Board of Directors as at 31.12.2021:

Name	Title	Outstanding options	Strike price (NOK)	Remaining life (years)
Aksel Lund Svindal	Chairman of the Board	100 000	3.36	7.25
Geir Førre	Board member			
Liv Dyrnes	Board member			
Lars Boilesen	Board member			
Emma Tryti	Board member			
Karin Berg	Board member			
Anlaug Underdal	Board member - Employee representative	67 800	0.7 - 8.56	4.42 - 5.84
Tore Rismyhr	Board member - Employee representative	57 030	3.36 - 8.56	4.42 - 7.75
Total		**224 830**		

Share options held by the Board of Directors as at 31.12.2020:

Name	Title	Outstanding options	Strike price (NOK)	Remaining life (years)
Geir Førre	Chairman of the Board			
Aksel Lund Svindal	Board member	100 000	3.36	8.25
Liv Dyrnes	Board member			
Lars Boilesen	Board member			
Anlaug Underdal	Board member - Employee representative	47 000	0.70	6.84
Tore Rismyhr	Board member - Employee representative	43 800	3.36	8.75
Audhild Andersen Randa	Board member			
Total		**190 800**		

7.2 Related party transactions

Related parties are major shareholders, members of the Board and Management team in the parent company and the group subsidiaries. Note 4.1 and 6.7 provides information about the Group structure, including details of the subsidiaries and shareholders. Significant agreements and remuneration paid to management and the Board for the current and prior period are presented in note 7.1. Shares and share options held by the management team and the Board are also summarized in note 7.1.

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following tables provide the total amount of transactions and balances with related parties (outside the Group) for the relevant financial periods:

Related party transactions in 2021 and balances at 31 December 2021 (USD 1,000)	Executive management	Board Member	Other	Total
Income from related parties			6,088	**6,088**
Payments to related parties	1,520	47	1,015	**2,583**
Related party receivables	41			**41**

Payments to related parties include remuneration paid to management and the Board (refer to note 7.1), commissions and accrued cost invoiced from Rn222 Inc., rent of premises from Energy Control AS and consultant services from Firda AS. Income from related parties include sale of goods to Rn222 Inc. and Energy Control AS.

Related party receivables as at 31 December 2021 are mainly related to prepaid salary to employees.

Related party transactions in 2020 and balances at 31 December 2020 (USD 1,000)	Executive management	Board Member	Other	Total
Income from related parties			2,146	**2,146**
Payments to related parties	1,995	72	870	**2,937**
Related party receivables	3			**3**

Payments to related parties include remuneration paid to management and the Board (refer to note 7.1), fees invoiced from Rabakken invest AS, commissions and accrued cost invoiced from Rn222 Inc., and rent of premises from Energy Control AS. Income from related parties include sale of goods to Rn222 Inc. and Energy Control AS.

Related party receivables as at 31 December 2020 are mainly related to prepaid salary to employees.

Related party transactions in 2020 and balances at 31 December 2020 (USD 1,000)	Executive management	Board Member	Other	Total
Related party receivables	21			**21**

Related party receivables as at 1 January 2020 are mainly related to prepaid salary to employees.

- RN222 Inc. is a distributor of the Group's products in Canada. RN222 Inc. provides some consultancy services that are invoiced to the Group. The beneficial owner of RN222 Inc. was the leader of the Professional segment until February 2022.
- Energy Control AS is a shareholder of the Group, and has provided consultancy services to Airthings ASA. The beneficial owner of Energy Control AS in employed in the Group.
- Firda AS is the largest shareholder of the Group, and is owned by Geir Førre (Board member).
- Rabakken Invest AS is a shareholder of the Group, and has provided consultancy services to Airthings ASA.

7.3 Commitments and contingencies

ACCOUNTING POLICIES

Other commitments and contingencies

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognized in the annual accounts but are disclosed when an inflow of economic benefits is considered probable.

Other commitments

The Group does not have other significant commitments to be disclosed.

Assets pledged as security and guarantee liabilities

For assets pledged as security and guarantee liabilities, see note 6.2.

7.4 Events after the reporting period

ACCOUNTING POLICIES

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognizes in the Group's consolidated financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Adjusting events

There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events

War in Ukraine

The escalation of the conflict between Russia and Ukraine which led to armed conflicts in Ukraine on 24 February, 2022 has created uncertainty regarding the development of the global economy. The evolving conflict does currently not impact the Group directly, as it has no operating presence in either Russia, Belarus or Ukraine. Indirect effects however, such as financial market volatility, sanctions-related knock-on effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

There have been no other significant non-adjusting events subsequent to the reporting date.

Section 8 - Changes in accounting policies

8.1 First time adoption of IFRS

These financial statements, for the period ended 31 December 2021 are the first the Group has prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period ended 31 December 2020, as described in the basis of preparation (note 1.2). In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2020, the Group's date of transition to IFRS.

This note explains the principal adjustments made by the Group when transitioning to IFRS from its previous reporting framework; Generally Accepted Accounting Principles in Norway ("NGAAP") as of 1 January 2020, as well as for the period ended 31 December 2020.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- The Group has decided to use the option of calculating the right-of-use asset and lease liability as net present value of remaining lease payments as at 1 January 2020, using the incremental borrowing rate. The leases where the lease period ends within 12 months from the transition date, are treated as short term leases.
- The Group has decided to use the practical expedient in IFRS 15 Revenue from Contracts with Customers to not restate contracts that are completed at transition date, 1 January 2020. IFRS 1 defines a completed contract as a contract for which the entity has transferred all of the goods or services as identified in accordance with previous GAAP.
- As at 1 January 2020, the Group has set its cumulative translation differences that existed at the transition date to IFRS to zero.

Effect of transition to IFRS

The main differences recognized at the transition to IFRS are:

- The recognition of right-of-use assets and lease liabilities with corresponding depreciation and interest expenses, which was previously expensed as part of operating expenses
- Difference related to consideration payable to customers (accounted for as revenue reduction under IFRS)
- Reversal of goodwill amortization

The impact of the IFRS adjustments on the consolidated statement of financial position when transitioning from NGAAP as at 1 January 2020, and 31 December 2020 are described in detail below. Additionally, the impact of the IFRS adjustments on the consolidated statement of profit or loss and the consolidated statement of cash flows are described in detail further below.

NGAAP figures presented below are based on previously reported annual reports and translated to USD by using end rates for balance sheet and average rates for statement of comprehensive income. Where balances are subsequently restated, figures are based on the last presented restated balance in the annual report or interim report for Q4 2021.

Reconciliation of transitional effects

Reconciliation of equity and financial position as at 1 January 2020:

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
ASSETS				
Non-current assets				
Intangible assets		418		418
Goodwill				
Property, plant and equipment		263		263
Right-of-use assets	A		2,579	2,579
Deferred tax assets	D	510	228	738
Other non-current assets		38		38
Other non-current assets		**1,230**	**2,807**	**4,037**
Current assets				
Inventories		3,306		3,306
Trade receivables		4,640		4,640
Other receivables		1,618		1,618
Cash and cash equivalents		5,589		5,589
Total current assets		**15,154**		**15,154**
TOTAL ASSETS		**16,383**	**2,807**	**19,190**

Reconciliation of equity and financial position as at 1 January 2020 *continued:*

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
EQUITY AND LIABILITIES				
Equity				
Share capital		65		65
Share premium		10,440		10,440
Other capital reserves		636		636
Other equity	E	-31	-810	-841
Total equity		**11,109**	**-810**	**10,300**
Non-current liabilities				
Non-current interest-bearing liabilities		2,037		2,037
Non-current lease liabilities	B		2,319	2,319
Deferred tax liabilities				
Non-current provisions				
Total non-current liabilities		2,037	2,319	4,356
Current liabilities				
Current interest-bearing liabilities				
Current lease liabilities	B		260	260
Trade and other payables		2,301		2,301
Contract liabilities		73		73
Income tax payable		4		4
Current provisions	C	858	1,038	1,897
Total current liabilities		**3,236**	**1,298**	**4,534**
Total liabilities		**5,274**	**3,617**	**8,890**
TOTAL EQUITY AND LIABILITIES		**16,383**	**2,807**	**19,190**

Reconciliation of equity and financial position as at 31 December 2020:

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
ASSETS				
Non-current assets				
Intangible assets		2,332		2,332
Goodwill	C	3,096	221	3,317
Property, plant and equipment		595		595
Right-of-use assets	A		3,578	3,578
Deferred tax assets	D	2,688	265	2,953
Other non-current assets		1,524		1,524
Other non-current assets		**10,234**	**4,064**	**14,298**

Reconciliation of equity and financial position as at 31 December 2020 *continued*:

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
Current assets				
Inventories		4,694		4,694
Trade receivables		7,000		7,000
Other receivables		2,041		2,041
Cash and cash equivalents		62,943		62,943
Total current assets		**76,678**		**76,678**
TOTAL ASSETS		**86,912**	**4,064**	**90,976**
EQUITY AND LIABILITIES				
Equity				
Share capital		188		188
Share premium		78,472		78,472
Other capital reserves		1,096		1,096
Other equity	E	-2,390	-718	-3,108
Total equity		**77,367**	**-718**	**76,648**
Non-current liabilities				
Non-current interest-bearing liabilities				
Non-current lease liabilities	B		3,243	3,243
Deferred tax liabilities		343		343
Non-current provisions		1,442		1,442
Total non-current liabilities		**1,785**	**3,243**	**5,028**
Current liabilities				
Current interest-bearing liabilities		1,901		1,901
Current lease liabilities	B		473	473
Trade and other payables		4,139		4,139
Contract liabilities		422		422
Income tax payable		10		10
Current provisions	F	1,289	1,066	2,355
Total current liabilities		**7,761**	**1,539**	**9,300**
Total liabilities		**9,545**	**4,782**	**14,327**
TOTAL EQUITY AND LIABILITIES		**86,912**	**4,064**	**90,976**

IFRS adjustments of consolidated financial position as at 1 January 2020:

A: The IFRS adjustment of USD 2,579 thousands reflects the recognized right-of-use asset less depreciation for the year related to leasing of office space. Under NGAAP lease payments were accounted for as operating expenses and hence no right-of-use asset has previously been recognized.

B: The IFRS adjustments of USD 2,319 thousands and USD 260 thousands reflect the non-current and current portion of the lease liability recognized for leasing of office space under IFRS 16. Under NGAAP no lease liability was recognized.

C: The IFRS adjustment of USD 1,038 thousands reflects adjustments related to accrued consideration payable to a customer. Under IFRS this amount is estimated when the sale occurs and recognized as a provision. The transaction price is reduced accordingly.

D: The IFRS adjustment of USD 228 thousands reflects the recognition of deferred tax asset related to the IFRS adjustment described under "C" above.

E: The IFRS adjustment of USD 810 thousands reflects the effect on equity related to the IFRS adjustment described under "C" above.

IFRS adjustments to profit or loss for 2020:

A: The IFRS adjustment of USD 3,578 thousands reflects the recognized right-of use asset less depreciation for the year related to leasing of office space.

B: The IFRS adjustments of USD 3,243 thousands and USD 473 thousands reflect the non-current and current portion of the lease liability recognized for leasing of office space under IFRS 16.

C: Prior to conversion to IFRS, goodwill was amortized. The IFRS adjustment of USD 221 thousands consists of reversal of previously recognized goodwill as goodwill is not amortized under IFRS, but rather tested for impairment annually.

D: The IFRS adjustment of USD 265 thousands in deferred tax assets consists of the income tax effect of the IFRS adjustment related to IFRS 16 and IFRS 15 effects.

E: The IFRS adjustment of USD 718 thousands consists of the P&L effect of the years IFRS adjustments in addition to translation differences on the IFRS adjustments and adjustments in the opening balance of equity at the date of transition to IFRS.

F: The IFRS adjustment of USD 1,066 thousands reflects adjustments related to accrued consideration payable to a customer. Under IFRS this amount is estimated when the sale occurs and recognized as a provision. The transaction price is reduced accordingly.

Reconciliation of consolidated statement of profit or loss as of 31 December 2020:

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
Revenues	A	22,818	-1,925	20,893
Other operating income		123		123
Total revenue and other operating income		**22,941**	**-1,925**	**21,016**
Cost of goods sold		7,576		7,576
Employee benefit expenses		9,094		9,094
Other operating expenses	B	11,510	-2,377	9,132
Operating profit or loss before depreciation and amortization (EBITDA)		**-5,239**	**453**	**-4,786**
Depreciation and amortization	C	509	227	736
Operating profit or loss (EBIT)		**-5,748**	**226**	**-5,522**
Finance income		20		20
Finance costs	D	524	149	673
Net financial items		**-504**	**-149**	**-653**
Profit (loss) before tax		**-6,252**	**77**	**-6,175**
Income tax expense		-2,017	-27	-2,044
Profit (loss) for the year		**-4,235**	**104**	**-4,131**

The Group reported other comprehensive income under IFRS of USD 4,314 thousands. No other comprehensive income has historically been reported under NGAAP as no such statement is required under NGAAP and due to the fact that the accounts were previously presented in NOK.

IFRS adjustments of consolidated statement of comprehensive income as of 31 December 2020:

A: Under IFRS, consideration payable to a customer is accounted for as a reduction of the transaction price, unless the payment to the customer is in exchange for a distinct good or service and the fair value of the distinct good or service can be reasonably estimated. The IFRS adjustment of USD 1,925 thousands relates to consideration payable to a customer which was previously recognized as OPEX under NGAAP. Under IFRS, this is accounted for as a reduction of revenues.

B: The IFRS adjustment of USD 2,377 thousands reflects the reversal of lease expenses for the operating leases of office space (USD 451 thousands), in addition to the reclassification of consideration payable to a customer from OPEX to a reduction in revenue (USD 1,926 thousands).

C: The IFRS adjustment of USD 227 thousands reflects the reversal of amortization of goodwill (USD 201 thousands) and the additional depreciation of right-of-use assets for the period for leases recognized under IFRS 16 (USD 428 thousands).

D: The IFRS adjustment of USD 149 thousands reflects the interest expense on the IFRS 16 lease liability.

Reconciliation of statement of cash flows for 2020:

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
Cash flows from operating activities				
Profit (loss) before tax		**-6,252**	**77**	**-6,175**
Adjustments to reconcile profit before tax to net cash flows:				
Net financial items	A	504	149	653
Depreciation and amortization	B	509	227	736
Share-based payment expense		460		460
Working capital adjustments:				
Changes in inventories		**-1,387**		**-1,387**
Changes in trade and other receivables		-2,783		-2,783
Changes in trade and other payables and contract liabilities		2,188		2,188
Changes in provisions	C	1,872	28	1,900
Other items				
Tax paid		-4		-4
Net cash flows from operating activities		**-4,893**	**481**	**-4,412**
Cash flows from investing activities				
Development expenditures		-269		-269
Purchase of property, plant and equipment		-404		-404
Purchase of shares in subsidiaries, net of cash acquired		-1,255		-1,255
Interest received		14		14
Net cash flow from investing activities		**-1,914**		**-1,914**
Cash flow from financing activities				
Proceeds from issuance of equity		69,162		69,162
Proceeds from sales of own shares		184		184
Transaction costs on issue of shares		-3,641		-3,641
Repayment of borrowings		-177		-177
Payments for the principal portion of the lease liability	D		-302	-302
Payments for the interest portion of the lease liability	D		-149	-149
Interest paid		-106		-106
Net cash flows from financing activities		**65,422**	**-451**	**64 971**
Net increase/(decrease) in cash and cash equivalents		**58,614**	**30**	**58,644**
Cash and cash equivalents at 1 January		5,589		5,589
Net foreign exchange difference		-1,290		-1,290
Cash and cash equivalents at 31 December		**62,913**	**30**	**62,943**

IFRS adjustments of consolidated cash flows year ended 31 December 2020:

A: The effect on net financial items of USD 149 thousands reflects the interest expense on the lease liability recognized under IFRS 16.

B: The IFRS adjustment of USD 227 thousands reflects the reversal of amortization of goodwill under NGAAP (USD 201 thousands) and the additional depreciation of right-of-use assets for the period for leases recognized under IFRS 16 (USD 428 thousands).

C: The IFRS adjustment of USD 28 thousands reflects adjustments related to accrued consideration payable to a customer. Under IFRS this amount is estimated when the sale occurs and recognized as a provision. The transaction price is reduced accordingly.

D: The IFRS adjustments represent lease payments of USD 302 thousands and payments for the interest portion of the lease liability of USD 149 thousands.

Reconciliation of consolidated statement of profit or loss as of 31 December 2021:
The Group presented its Q4 2021 report according to NGAAP. Below is a comparison of the consolidated NGAAP YTD Q4 2021 P&L figures reported in the interim report and full year 2021 IFRS 2021 figures reported in the annual report.

Amounts in USD 1,000	Note	NGAAP	Effect of transition to IFRS	IFRS
Revenues	A	36,173	-2,502	33,671
Other operating income		28		28
Total revenue and other operating income		**36,201**	**-2,502**	**33,699**
Cost of goods sold		13,041		13,041
Employee benefit expenses		15,127		15,127
Other operating expenses	B	17,359	-3,793	13,566
Operating profit or loss before depreciation and amortization (EBITDA)		**-9,326**	**1,291**	**-8,035**
Depreciation and amortization	C	1,257	78	1,335
Operating profit or loss (EBIT)		**-10,583**	**1,213**	**-9,371**
Finance income		323		323
Finance costs	D	51	217	268
Net financial items		**272**	**-217**	**55**
Profit (loss) before tax		**-10,311**	**996**	**-9,315**
Income tax expense		-2,129	74	-2,055
Profit (loss) for the year		**-8,182**	**922**	**-7,261**

The Group reported other comprehensive income under IFRS of negative USD 2,352 thousands. No other comprehensive income has historically been reported under NGAAP as no such statement is required under NGAAP and due to the fact that the accounts were previously presented in NOK.

IFRS adjustments to statement of profit or loss for 2021:

A: Under IFRS, consideration payable to a customer is accounted for as a reduction of the transaction price, unless the payment to the customer is in exchange for a distinct good or service and the fair value of the distinct good or service can be reasonably estimated. The IFRS adjustment of USD 2,502 thousands relates to consideration payable to a customer which was previously recognized as OPEX under NGAAP. Under IFRS, this is accounted for as a reduction of revenues.

B: The IFRS adjustment of USD 3,793 thousands reflects the reversal of lease expense for the operating leases of office space (USD 853 thousands), in addition to the reclassification of consideration payable to a customer from OPEX to a reduction in revenue (USD 2,940 thousands).

C: The IFRS adjustment of USD 78 thousands reflects the reversal of amortization of goodwill (USD 658 thousands) and the additional depreciation of right-of-use assets for the period for leases recognized under IFRS 16 (USD 736 thousands).

D: The IFRS adjustment of USD 217 thousands reflects the interest expense on the IFRS 16 lease liability.

Alternative performance measures

This section includes information about alternative performance measures (APMs) applied by the Group.

These alternative performance measures are presented to improve the ability of stakeholders to evaluate the Group's operating performance. The Group applies the following APMs:

Annual recurring revenue (ARR)

ARR is the value of annualized sales from all active subscriptions, licenses and service contracts within the Airthings for Business and Professional segments. The calculation is based on monthly subscription fees as at 31 December (MRR), multiplied by 12 in order to represent an annualized figure. The numbers presented in the table below are translated from NOK to USD applying the average NOK/USD exchange rate for 2021 and 2020 respectively. ARR is considered an important supplemental measure for stakeholders to get an overall understanding of revenue generation within the Group's operating activities.

(USD 1,000)	2021	2020
MRR December (as per IFRS financial statements)	239	94
ARR	**2,866**	**1,132**

EBITDA

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) is used to provide consistent information on Airthings' operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders when evaluating the financial performance of the Group. EBITDA, as defined by Airthings, includes total operating revenue and excludes depreciation, amortization and impairment loss. For a reconciliation of EBITDA, refer to the consolidated statement of profit or loss.

EBITDA (USD 1,000)	2021	2020
Revenue	33,671	20,893
EBITDA	**-8,035**	**-4,786**
EBITDA margin	**-24%**	**-23%**

Gross profit margin

Gross profit margin is defined as revenue less cost of goods sold as a percentage of total revenue. Management believes that this measure is important for the users of the financial statements to determine the profitability and the financial performance of the Group.

Gross profit margin (USD 1,000)	2021	2020
Revenue	33,671	20,893
Cost of goods sold	13,041	7,576
Gross profit	**20,630**	**13,317**
Gross profit margin	**61%**	**64%**

Airthings ASA

Parent Company Financials

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Income statement

For the years ended 31 December			
Amounts in NOK 1 000	**Notes**	**2021**	**2020**
Revenues	2.1, 4.2	285 844	203 961
Other operating income	2.2	240	1 160
Total revenue and other operating income		**286 084**	**205 121**
Cost of sales		115 694	70 154
Employee benefit expenses	2.3	115 418	76 022
Other operating expenses	2.3, 2.4, 4.2	134 788	101 427
Operating profit or loss before depreciation & amortisation (EBITDA)		**- 79 816**	**- 42 482**
Depreciation and amortization	5.1, 5.3	10 411	1 996
Operating profit (loss) / EBIT		**- 90 226**	**- 44 478**
Finance income	2.5	4 161	753
Finance costs	2.5	436	4 913
Net financial items		**3 725**	**- 4 160**
Profit (loss) before tax		**- 86 501**	**- 48 638**
Income tax expense	2.6	- 17 805	- 18 512
Profit (loss) for the year		**- 68 696**	**- 30 126**

Profit (loss) for the year is proposed allocated as follows:

To (from) other equity	- 68 696	- 30 126
Total allocated	**- 68 696**	**- 30 126**

Statement of financial position

Amounts in NOK 1 000	Notes	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Goodwill	5.1, 5.2	20 758	0
Intangible assets	5.1	21 547	5 183
Deferred tax asset	2.6	36 938	22 057
Property, plant and equipment	5.3	6 270	4 486
Investments in subsidiaries	4.1	1 150	45 656
Receivables group companies	4.2	46 635	23 278
Other non-current assets	3.2	9 484	12 304
Total non-current assets		**142 782**	**112 965**
Current assets			
Inventories	3.1	94 670	37 707
Trade receivables	3.2	83 150	56 150
Other receivables		14 112	14 433
Bank deposits, cash and cash equivalents	6.1	359 968	525 358
Total current assets		**551 901**	**633 649**
TOTAL ASSETS		**694 683**	**746 614**

Amounts in NOK 1 000	Notes	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	6.3	1 718	1 706
Treasury shares		0	0
Share premium		713 145	711 464
Other capital reserves		15 137	9 912
Other equity		- 122 989	- 51 817
Total equity		**607 012**	**671 265**
Non-current liabilites			
Non-current provisions	3.2	9 609	12 304
Total non-current liabilites		**9 609**	**12 304**
Current liabilities			
Interest-bearing liabilites		0	7 222
Trade payables		40 288	23 812
Income tax payable		0	0
Other payables	3.3	8 259	7 573
Provisions	3.3	29 516	24 437
Total current liabilities		**78 062**	**63 045**
Total liabilities		**87 671**	**75 349**
TOTAL EQUITY AND LIABILITIES		**694 683**	**746 614**

Oslo, March 30, 2022

Aksel Lund Svindal
Chairman of the Board

Liv Hege Dyrnes
Board member

Lars Rahbæk Boilesen
Board member

Geir Førre
Board member

Emma Tryti
Board member

Anlaug Gårdsrud Underdal
Board member

Tore Helge Rismyhr
Board member

Karin Berg
Board member

Øyvind Birkenes
CEO

Statement of cash flows

For the years ended 31 December			
Amounts in NOK 1 000	**Notes**	**2021**	**2020**
Cash flows from operating activities			
Profit (loss) before tax		**- 86 501**	**- 48 638**
Depreciation and amortization	5.1, 5.2, 5.3	10 411	1 996
Share-based payment expense		5 225	4 325
Working capital adjustments:			
Changes in inventories	3.1	- 56 963	- 9 663
Changes in trade receivables		- 27 000	- 17 344
Changes in trade payable		16 475	11 885
Changes in other liabilities and receivables		36 830	6 963
Other items			
Tax paid		0	0
Net cash flows from operating activities		**- 101 522**	**- 50 477**
Cash flows from investing activities			
Purchase of intangible assets and development expenditures	5.1, 5.2	- 45 727	- 2 528
Purchase of property, plant and equipment	5.3	- 3 611	- 3 141
Purchase of shares in subsidiaries, net of cash acquired		0	- 12 758
Payments on long-term receivables		0	- 16 527
Net cash flow from investing activities		**- 49 339**	**- 34 954**
Cash flow from financing activities			
Proceeds from issuance of equity	6.3	1 693	563 592
Proceeds from sales of own shares		0	1 732
Repayment of borrowings		- 16 222	- 1 667
Net cash flows from financing activities		**- 14 529**	**563 658**
Net increase/(decrease) in cash and cash equivalents		**- 165 390**	**478 227**
Cash and cash equivalents at 1 January		525 358	47 130
Cash and cash equivalents at 31 December		**359 968**	**525 358**

Statement of changes in equity

Amounts in NOK 1 000	Share capital	Treasury shares	Premium reserve	Other paid-in equity	Other equity	Total equity
Equity 1 january 2020	**568**	**- 3**	**91 668**	**5 587**	**1 388**	**99 209**
Adjusted opening balance, share-based payment					285	285
Sale of treasury shares		3			1 732	1 735
Capital increase, April	56		59 944			59 999
Capital increase, July	18		27 736			27 754
Capital increase, August	21		32 222			32 244
Capital increase, fund issue	663		- 663			
Capital increase, October	376		499 994			500 370
Capital increase, November	3		563			566
Share based payment				4 325		4 325
Costs related to capital increase October **					- 34 688	- 34 688
Stabilisation mechanism ***					9 591	9 591
Result for the year					- 30 126	- 30 126
Equity 31 December 2020	**1 706**	**0**	**711 464**	**9 912**	**-51 817**	**671 265**
Equity 1 January 2021	**1 706**	**0**	**711 464**	**9 912**	**- 51 817**	**671 265**
Capital increase February	5		513			519
Capital increase May	1		143			145
Capital increase August	3		283			286
Capital increase November	3		742			745
Merger Airtight AS ****					- 2 475	- 2 475
Share based payment				5 225		5 225
Result for the year					- 68 696	- 68 696
Equity 31 December 2021	**1 718**	**0**	**713 145**	**15 137**	**- 122 989**	**607 012**

* In comparable financial figures for 2019, reclassification have been made between Other paid-in Equity and Other Equity of NOK 5 587 thousands related to share based payment. The reclassification have been implemented in the opening balance per 1 January 2020.

** On October 30, 2020, Airthings completed a private placement and subsequent listing on Merkur Market (now Euronext Growth). Shares outstanding prior to and after the transaction were 132 667 280 and 170 306 237, respectively, representing an increase of 28% or 37 037 037 shares. Price per share was NOK 13.5.

*** Proceeds from over-allotment in conjunction with the IPO. The Company was not a direct party or participant in either the stabilization agreement or the option in any other way than accepting the event and agreeing on receiving a share of the proceeds related to any short-sale gain.

**** Parent-/subsidiary merger with Airtight AS according to the simplified rules for intra-group mergers as set out in Section 13-24 of the Norwegian Public Limited Companies Act.

Section 1 – General information and accounting policies to the parent company financial statement

1.1 Corporate information

Airthings ASA ("the Company") is a publicly listed company on Euronext Growth, with the ticker symbol AIRX. Airthings ASA was admitted to trading on Euronext Growth on 30 October 2020. Airthings ASA is incorporated and domiciled in Norway. The Company's principal offices are located at Wergelandsveien 7, 0167 Oslo, Norway.

The Company´s financial statements for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 30 March 2022.

Airthings has been granted exemption from the Norwegian Tax Authority to publish its Annual Report in English only.

The Company, as used in these financial statements, is the Parent Company under the Consolidated Financial Statements also included in this Annual Report.

1.2 Basis of preparation

Airthings financial statements have been prepared in accordance with Norwegian Accounting Act and generally accepted accounting principles (NGAAP). The functional and presentation currency of the parent company is Norwegian krone ("NOK").

Going Concern

The annual accounts have been prepared based on the going concern assumption in accordance with section 3-3a of the Norwegian Accounting Act. This is based on the Group's plans, budgets and level of activity going forward.

1.3 General accounting principles

Airthings has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. A summary of the Company's general accounting are presented below:

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

1.5 Revenue

Income from sale of goods and services are recognized at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from sale of goods are recognized in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale of software as a service (SaaS)

The Company also has revenue from license fees, which are SaaS contracts consisting of a software licensing model where software is licensed on a subscription basis and centralized on Airthings platform. Revenue from SaaS arrangements, where the customer cannot take possession of the software license and where the software license cannot be separated from its related hosting services are considered as "right to access" licenses and revenue is recognized over time (i.e. the subscription period).

1.6 Share-based payments

Airthings has a share-based payment program where all employees are granted share options when they commence in their position.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (the Black-Scholes-Merton Model).

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

1.7 Pensions

The Company has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The scheme is a defined contribution plan. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

1.8 Goodwill

Recognized goodwill in the Company us derived from the merger with Airtight in 2021. Goodwill is depreciated over five years. In addition, goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

1.9 Intangible assets

Expenditure on own Research and Development are expensed as and when they incur.

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortized linearly over the asset's expected useful life.

1.10 Fixed assets

Property, plant and equipment ("PP&E") are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Costs related to leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period.

1.11 Impairment of intangible- and fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

1.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Components: purchase cost on a first-in/first-out basis (FIFO)
- Finished goods: cost of direct materials, direct wages, packaging and a proportion of manufacturing overheads based on the normal operating capacity

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.13 Investments in Subsidiaries

Investments in subsidiaries are valued at cost in the Company's financial statements. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with the generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

1.14 Receivables

Trade receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables. Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

1.15 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities have been recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

1.16 Provisions

Provision for warranties and service work for completed projects /sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognized in the income statement on a straight-line basis over the warranty and service period.

1.17 Foreign currencies

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary assets, receivables and liabilities are translated at the exchange rate on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period. Foreign currency gains or losses are reported as foreign exchange gain or foreign exchange loss in finance income or finance costs.

Section 2 – Profit or loss items

2.1 Revenue

Revenue (NOK 1 000)	2021	2020
Revenues from sale of goods (hardware)	277 458	201 673
Revenues from services performed (software)	8 385	2 288
Total	**285 844**	**203 961**

Geographical distribution (NOK 1 000)	2021	2020
EMEA	78 738	49 167
North America (USA and Canada)	207 105	154 793
Total	**285 844**	**203 961**

2.1 Other operating income

Grants

Airthings ASA has in 2021 and 2020 received funding from Innovation Norway in addition to tax refunds (Skattefunn) which both are classified as operating grants. Operating grants are accounted for at the same time as the costs they are intended to cover.

Tax refunds are accounted for as a cost reduction. The grant from Innovation Norway is presented as other revenue.

The Skattefunn grant is presented as a short term receivable of NOK 4.75 million in the balance sheet and as a reduction of R&D cost, respectively as reduced employee cost and other operating cost.

Grants reported as other revenue (NOK 1 000)	2021	2020
Innovation Norway	240	1 160
Total	**240**	**1 160**

Airthings, through the merger with Airtight, was in 2018 granted EUR 1.72 million through EU's Horizon 2020 program. The grant was 70% investment funding of a total project cost of EUR 2.45 million for the period 1 August 2018 to 31 July 2020.

The grant was later extended with 1 year to 31 July 2021. The grant is reported as a reduction in intangible assets.

2.3 Employee benefit expenses, remuneration to Coroporate Management, Board of Directors and Auditors

Salaries and personnel expenses (NOK 1 000)	2021	2020
Salaries/wages	93 845	62 895
Non-cash share based payment	4 757	3 962
Social security fees	13 562	9 193
Pension expenses	3 725	2 390
Other benefits	3 235	1 523
Skattefunn	- 2 375	- 3 941
Capitilized personel cost	- 1 332	
Total	**115 418**	**76 022**
Average numbers of full-time equivalents	**96**	**65**

Pension obligations

Airthings ASA has a pension scheme that meets the requirements set out in the Obligatory occupational pension Act.

At 31 December 2021, Airthings ASA's pension scheme had 93 members. The cost of pension is specified in the above table.

Share-based payment

For information about share-based payment plans, see note 6.8 to the consolidation financial statments.

Remuneration of Corporate Management and Board of Directors

Information about remuneration of the Board of Directors and the executive management is included in note 7.1 to the consolidation financial statements. For information about share-based payment plans, see note 6.8 to the consolidation financial statements.

Remuneration of auditors (NOK 1 000)	2021	2020
Statutory audit	888	292
Tax advisory and other services	386	234
Total remuneration to auditors	**1 274**	**525**

2.4 Other operating expenses

Lease

Lease object (NOK 1 000)	Expiration of agreement	Annual lease
Office space in Oslo	31.05.2027	7 094
Office space in Bergen	30.06.2026	216
Lease of office equipment	31.11.2022	8
Total		**7 318**

2.5 Finance income and cost

Finance income (NOK 1 000)	Notes	2021	2020
Interest income from group entities	4.2	1 171	587
Other interest income		875	166
Profit on foreign exchange		2 114	
Total finance income		**4 161**	**753**

Finance costs (NOK 1 000)	2021	2020
Other interest expenses	120	1 006
Other financial expenses	316	
Loss on foreign exchange		3 907
Total finance costs	**436**	**4 913**

Foreign exchange (NOK 1 000)	2021	2020
Foreign exchange gain	17 239	16 042
Foreign exchange loss	15 125	19 949
Net foreign exchange gain (loss)	**2 114**	**- 3 907**

2.6 Income tax

This year's tax expense (NOK 1 000)	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax		- 356
Prior period adjustment	- 22	
Change in deferred tax asssets	- 17 783	- 18 156
Tax expense on ordinary profit/loss	**- 17 805**	**- 18 512**

Taxable income (NOK 1 000)	2021	2020
Ordinary result before tax	- 86 501	- 48 638
Permanent differences	9	- 35 508
Change in temporary differences	7 964	199
Taxable income	**- 78 529**	**- 83 947**

Payable tax in the balance (NOK 1 000)	2021	2020
Payable tax on this years's result		
Tax on reversed losses		- 356
Total payable tax in the balance	**0**	**- 356**

The tax effect of temporary differences and loss carried forward that has formed the basis for deferred tax and deferred tax assets, specified on types of temporary differences.

Temporary differences (NOK 1 000)	2021	2020	Difference
Tangible assets	32 474	39 781	7 307
Inventory		- 225	- 225
Receivables	- 882		882
Total	**31 592**	**39 556**	**7 964**
Accumulated loss to be carried forward	- 178 735	- 100 206	78 529
Tax effects as part of merger	20 758	26 419	5 661
Basis for deferred tax assets	- 167 900	- 87 069	80 831
Deferred tax assets (22%)	**- 36 938**	**- 19 155**	**17 783**

Section 3 – Balance sheet items

3.1 Inventories

Inventory (NOK 1 000)	2021	2020
Finished goods	64 635	37 707
Components	30 035	
Acquisition cost 31 December	**94 670**	**37 707**
Inventories valued at purchase cost	94 670	37 932
Inventories valued at net realisable value	94 670	37 707
Write-down for obsolescence	**0**	**225**

The increase in inventories in 2021 is a result of increased components prices coupled with a strategy of securing supply in a pressed semi-conductor market. There were no write-downs of finished goods or components in 2021 (2020: NOK 225 thousands). There were no reversal of write-down of components or finished goods in the periods presented.

3.2 Trade receivables, receivables, pledged assets guarantees etc.

Debtors which fall due later than one year after the expiry of the financial year (NOK 1 000)	2021	2020
Inter company loans	46 635	23 278
Employers provisions related to share based compensation	9 484	12 304
Other receivables to employees		27
Total	**56 119**	**35 609**

Debt secured by collateral (NOK 1 000)	2021	2020
Short-term debt secured by collateral		16 222
Total	**0**	**16 222**

Book value of pledged assets (NOK 1 000)	2021	2020
Equipment, fixtures and fittings and other movables	6 270	4 077
Inventories	94 670	37 707
Trade receivables	83 150	56 150
Total	**184 090**	**97 934**

Pledged amount (NOK 1 000)	2021	2020
Pledge on inventories	10 000	19 000
Pledge on operating assets	10 000	19 000
Pledge on accounts receivables	10 000	19 000
Total	**30 000**	**57 000**

3.2 Trade receivables, receivables, pledged assets and guarantees etc.

Other payables (NOK 1 000)	2021	2020
Public duty payable	8 259	7 573
Total	**8 259**	**7 573**

Provisions (NOK 1 000)	2021	2020
Loan Innovation Norway		9 000
Wages and holiday pay (included tax)	13 239	10 854
Other provisions	8 389	982
Accrued revenue	7 888	3 601
Total	**29 516**	**24 437**

Total other payables and provisions	**37 774**	**32 010**

Section 4 - Related parties

4.1 Subsidiaries

Investments in subsidiaries are booked according to the cost method.

Company	Location	Ownership/ voting rights	Currency	Equity per 1.1.	Annual net profit/loss	Equity per 31.12.
Airthings America INC	USA	100 %	USD	- 573 268	85 206	- 488 063
Airthings AB	Sweden	100 %	SEK	0	267 942	292 942

Book value of investment in balance sheet of Airthings ASA	Amount (NOK 1 000)
Airthings America INC	975
Airthings AB	176
Total	**1 150**

4.2 Related parties

Receivables on subsidiary Airthings America INC (NOK 1 000)	2021	2020
Long term loan to Airthings America INC	44 937	23 278
Long term loan to Arthings AB	1 698	

Transactions with subsidiary Airthings America INC (NOK 1 000)	2021	2020
Sale of goods to Airthings America INC	53 750	34 398
Sale of goods to Airthings AB	3 984	
Purchase of services and cost allocation from Arthings America INC	4 344	1 093
Purchase of services and cost allocation from Arthings AB	3 796	
Loan interest Arthings America INC	1 125	587
Loan interest Arthings AB	47	

Transactions with shareholders (NOK 1 000)	2021	2020
Commissions and accrued cost invoiced from Rn222 INC	8 038	7 549
Sale of goods to Rn222 Inc	51 387	20 095
Rent of premises from Energy Control AS	192	118
Sale of goods to Energy Control AS	966	79
Fees invoiced from Firda AS	502	
Fees invoiced from Rabakken Invest AS		516

Section 5 - Fixed assets

5.1 Intangible assets

(NOK 1 000)	Goodwill	Software and systems	Technology	Total
Acquisition cost as at 1 January 2021		**6 271**		**6 271**
Additions through business combinations *	26 419		14 712	41 131
Additions		3 273	1 323	4 596
Acquisition cost as at 31 December 2021	**26 419**	**9 544**	**16 036**	**51 998**
Accumulated depreciations 31 December 2021	5 661	2 522	1 510	9 693
Net book value as at 31 December 2021	**20 758**	**7 022**	**14 526**	**42 305**
Depreciation in the year	5 661	1 435	1 510	8 606
Depreciation rate (%)	20 %	20 %	10 %	
Depreciation plan	Linear	Linear	Linear	
Econmic useful life	5 Years	5 Years	10 Years	

* Please see note 4.2 in consolidated statment

5.2 Business combinations

On 7 July 2021 Airthings ASA merged with its subsidiary Airtight AS, a software company that has developed patented technology to reduce energy waste from commercial buildings. The merger between the wholly-owned subsidiary and the parent company was contemplated to simplify the corporate structure of the Group. For accounting and tax purposes, the effective date of the merger was 1 January 2021. Airthings AS originally became a subsidiary of Airthings ASA in August 2020.

As Airtight AS was 100% owned by Airthings ASA, the vertical merger was carried out without payment of any consideration, according to the Public Limited Liability Companies Act. The merger was accounted for according to the guidance in section 6 of the Norwegian Accounting Standard 9 (NRS 9) concerning mergers, which implies use of the group continuity method. As such, on the effective date of the merger, all assets and liabilities in Airtight AS was continued into Airthings ASA's separate financial statements at the book values used in the consolidated financial statements of Airthings ASA. Airtight AS was simultaneously dissolved.

For tax purposes, the merger was implemented with full tax continuity, in accordance with Chapter 11 of the Taxation Act.

The table below illustrates the balance sheet of Airtight AS as at the effective date of the merger (1 January 2021) and represents the book values that were merged into Airthings ASA:

Amounts in (NOK 1 000)	1.1.2021
ASSETS	
Non-current assets	
Intangible assets	1 469
Property, plant and equipment	139
Other non-current assets	265
Total non-current assets	**1 873**
Current assets	
Other receivables	2 997
Cash and cash equivalents	2 341
Total current assets	**5 338**
TOTAL ASSETS	**7 211**
EQUITY AND LIABILITIES	
Equity	
Other equity	5 788
Total equity	**5 788**
Current liabilities	
Trade and other payables	1 423
Total current liabilities	**1 423**
Total liabilities	**1 423**
TOTAL EQUITY AND LIABILITIES	**7 211**

As the merger was accounted for according to the method of group continuity, in addition to the assets and liabilities presented above, NOK 13.2 million of excess values related to technology and NOK 26.4 million related to Goodwill were transferred from the consolidated financial statements to the separate financial statements of Airthings ASA as at the effective date of the merger. The effect on equity on the separate financial statements of Airthings ASA was NOK - 2.5 million, which represents the difference between the book value of shares in Airthings previously recognized and net book value of Airtight's assets and liabilities in the consolidated financial statements of Airthings ASA.

5.3 Property plant and equipment

(NOK 1 000)	Property, plant and equipment	Total
Acquisition cost as at 1 January	**6 374**	**6 374**
Additions	3 998	3 998
Acquisition cost as at 31 December 2021	**10 372**	**10 372**
Accumulated depreciations 31 December 2021	4 102	4 102
Net book value as at 31 December 2021	**6 270**	**6 270**
Depreciation in the year	1 805	1 805
Depreciation rate (%)	20 %	
Depreciation plan	Linear	
Econmic useful life	5 years	

Section 6 - Financial instruments and equity

6.1 Restricted cash

Restricted funds deposited in the tax deduction account (NOK 1 000)	2021	2020
Restricted tax deductions	4 579	4 267
Restricted cash	5 667	3 958
Other restricted funds	1 400	1 400

Other restricted funds is a guarantee related to a credit agreement with DNB Mastercard.

6.2 Financial risk management

Overview

The parent company is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Company seeks to minimize potential adverse effects of such risks through sound business practice, risk management and hedging.

Risk management is a continuous process and an integrated part of the Company's business. When operating across multiple markets, Airthings is exposed to a range of risks that may affect its business. The key risk areas are discussed below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include interest bearing debt, cash and cash and cash equivalents, trade receivables, lease liabilities and trade and other payables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings have historically been exposed to interest rate fluctuations. As all borrowings were repaid in January 2021, the Company does no longer have any significant interest rate risk related to interest-bearing liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency fluctuations due to the international nature of its operations. The Company's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Company's operating activities (revenue and expenses denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. A significant part of revenues is denominated in USD, with a small portion incurred in NOK, EUR and CAD. Most of its operating expenses are incurred in NOK. Further, the Company could also potentially be negatively affected by fluctuations in other currencies in the future. The Company does not currently hedge currency exposure with the use of financial instruments but monitors the net exposure over time.

Credit risk

Credit risk represents the possibility of a counterparty not meeting its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is mainly exposed to credit risk from its operating activities.

The credit risk is low in the Consumer segment, where most sales are based on upfront or simultaneous payment, and the Company may also seek advance payments to offset risk on trade receivables in the other segments. The Company has close connection with its customers and receivable balances are monitored on an ongoing basis. It is the Company's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity, and financial position.

The Company's exposure to losses have historically been low. However, the increased operations of the Company outside the US and home markets exposes Airthings to different credit risk environments. The Board of Directors deems credit risk to be at an acceptable level given the current operational circumstances and outlook of the company.

Liquidity risk

Liquidity represents the risk where the Company may potentially encounter difficulty in meeting obligations associated with financial liabilities that are settled by provision of cash or another financial assets. The Company supervises its risk by monitoring its working capital, and overdue trade receivables. The Company has a strong cash position of NOK 360 million, which the Board of Directors consider sufficient to fund the company's growth strategy towards in long-term revenue targets. The liquidity risk is hence considered to be limited.

6.3 Share capital and shareholders information

The share capital of Airthings ASA as of 31 December 2021 was NOK 1,718,164.37 consisting of 171,816,437 ordinary shares at NOK 0.01 per share. The Company's shares have equal voting rights. For information of shareholder see note 6.7 the consolidated financial statements.

Section 7 - Other disclosures

7.1 Events after the reporting period

There have been no significant adjusting events subsequent to the reporting date.

BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Independent Auditor's Report

To the General Meeting in Airthings ASA

Opinion

We have audited the financial statements of Airthings ASA.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements comply with applicable statutory requirements.
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Social Responsibility.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Oslo, 30.03.2022
BDO AS

Børre Skisland

Børre Skisland
State Authorised Public Accountant


AIRTHINGS
Breathe better. Live better.

APPENDIX C:

The Group's NGAAP Consolidated Financial Statements for 2020 and 2019

AIRTHINGS

Annual Report 2020

Key highlights

1

2020 sales revenue of
NOK214.5m
up 54% YoY

2

2020 total gross profit of
NOK144.5m
2020 sales gross profit margin of 67%

3

Total ARR reached
NOK10.6m
by end of year, up 267%

4

Successful product release of
Hub & House Kit

5

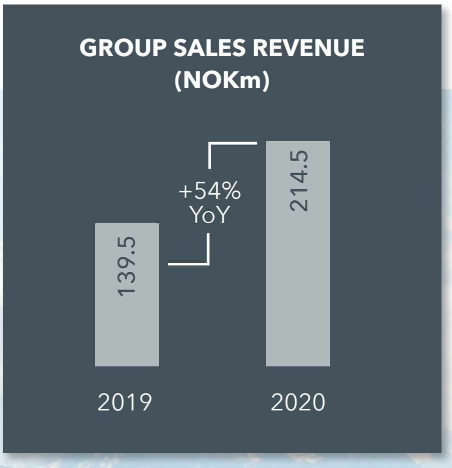
Successful acquisition of proptech company
Airtight
in third quarter, increasing focus on energy efficiency for Airthings for Business (AfB).

6

Launched two virtual sensors -
Mold Risk indicator and
Virus Risk indicator

7

Private placement and public listing - raising
NOK500m
in growth capital in fourth quarter



The year in brief

Airthings ASA reported a strong 2020 with sales revenue reaching NOK214.5m, up 54% YoY. The growth was solid across all three segments. Sales gross profit margin came in at 67%, down 5%-points, mainly driven by product mix in the Consumer segment, but also driven by a higher share of product sales in the Airthings for Business (AfB) segment. In AfB, the up-front hardware revenue has a lower margin, while the service recurring revenue has a very high margin. As the service recurring revenue will likely increase exponentially and thus get a higher share of the total revenue in the future, the gross margins for AfB should increase over the coming years. Despite the global challenges as a result of Covid-19, Airthings can look back at several highlights throughout 2020: release of Hub and House Kit, acquisition of Airtight, opening of Stockholm office, IPO, launch of Mold Risk Indicator and Virus Risk Indicator, roll-out in 545 Home Depot stores, and more. We are taking the strong growth with us into 2021, expecting revenue of NOK315-345m and ARR of NOK32-40m.

Quarterly highlights

1Q

We **released the Hub and House Kit** for the Consumer segment during the quarter. Furthermore, Airthings for Business started gaining traction especially from municipalities and facility managers. Successful radon season fueled by great coverage in Consumer Reports and Time Magazine for Best Inventions in 2019. This resulted in **record breaking revenue of NOK50.7m** for the quarter.

2Q

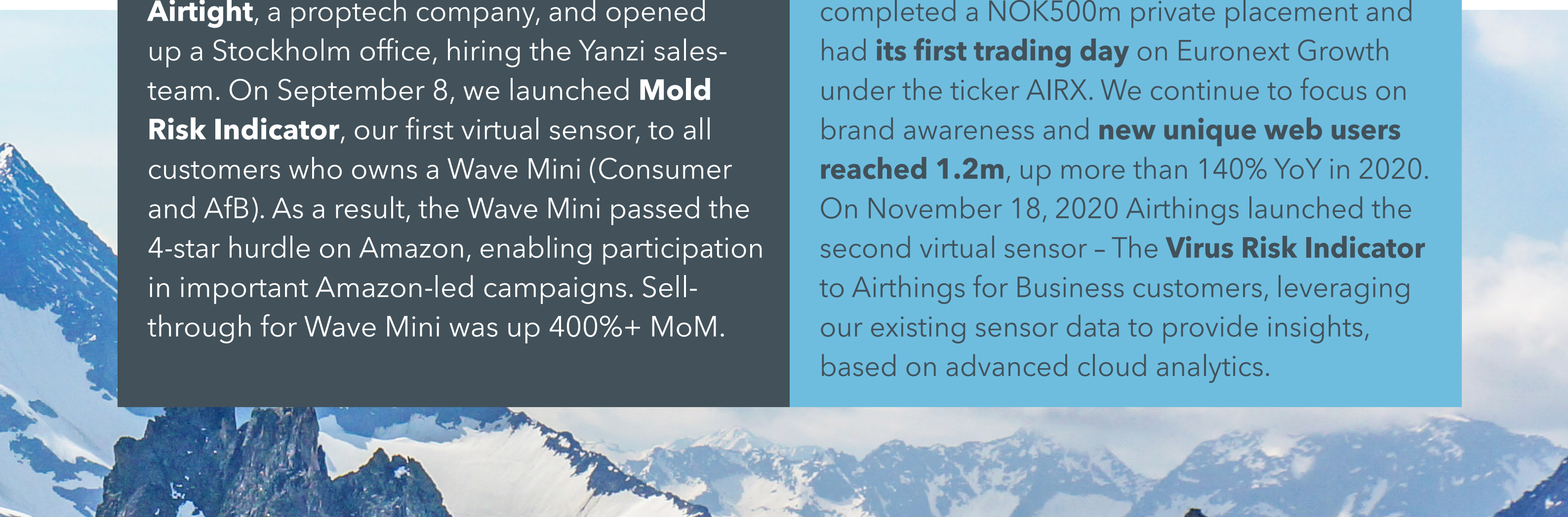
The quarter was challenging due to the outbreak of **Covid-19**. Amazon made a strategic decision to focus on essential products and our retail business in Europe was hit as new store **roll-outs were being pushed out**. Despite challenges related to Covid-19, we managed to close a **solid quarter with revenue of NOK40m**, where Pro segment and Airthings for Business continued showing strong growth.

3Q

During third quarter, Airthings **acquired Airtight**, a proptech company, and opened up a Stockholm office, hiring the Yanzi sales-team. On September 8, we launched **Mold Risk Indicator**, our first virtual sensor, to all customers who owns a Wave Mini (Consumer and AfB). As a result, the Wave Mini passed the 4-star hurdle on Amazon, enabling participation in important Amazon-led campaigns. Sell-through for Wave Mini was up 400%+ MoM.

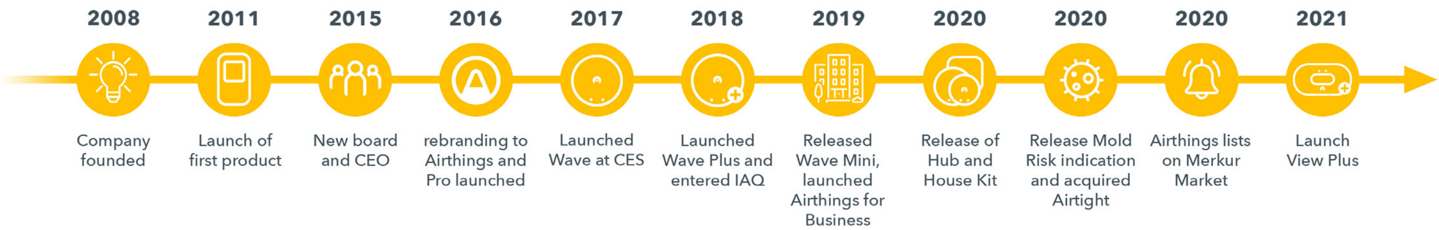
4Q

During October, Airthings successfully completed a NOK500m private placement and had **its first trading day** on Euronext Growth under the ticker AIRX. We continue to focus on brand awareness and **new unique web users reached 1.2m**, up more than 140% YoY in 2020. On November 18, 2020 Airthings launched the second virtual sensor – The **Virus Risk Indicator** to Airthings for Business customers, leveraging our existing sensor data to provide insights, based on advanced cloud analytics.



This is Airthings

Airthings was founded with an inventive spirit and an ambitious objective: to offer accurate, user-friendly radon detectors to the masses, making them as common as smoke detectors. Today the company is a leader in air quality technology, having sold hundreds of thousands of radon and air quality monitors to consumers and businesses around the world.



Airthings is a global tech company and producer of award-winning radon and indoor air quality monitors for consumers, businesses, and professionals. Established in 2008 and led by a team of experienced scientists, engineers, leaders, and visionaries, Airthings is on a mission to empower the world to breathe better through simple, affordable, and accurate technology solutions while optimizing energy consumption in buildings.

Our story

Every idea starts with a problem: radon testing for homeowners hadn't improved in almost 30 years. Several particle physicists working together at CERN (European Organization for Nuclear Research) saw a gap in the radon market—or more like a deadlock. Traditionally, consumers only had two options: call a professional to test their radon levels, or purchase a single-use charcoal test which was then sent to a lab for the results. Our founders went to work creating the very first consumer digital radon detector. Airthings was founded to break free from these traditions and put consumers, as well as business owners, back in control of their indoor air quality. Today, we have branched out from a pure radon focus, to monitoring and controlling a wide range of air quality issues for homes, businesses, and professionals.

International recognition

Airthings' radon and air quality monitors have received several awards including the TIME's Best Inventions of 2019 award and CES 2021 Innovation Award Honoree. Recently, the company received Frost & Sullivan's 2020 Global Product Leadership Award in the indoor air quality monitoring industry. The award recognizes companies that offer a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Headquartered in the heart of Oslo, and with offices in the US, Canada, Germany and Sweden, Airthings has over 120 employees from more than 30 nationalities and counting. Airthings is a proud supporter of the American Lung Association's LUNG FORCE initiative, the British Lung Association's Living Well Alliance, and the Norwegian Asthma and Allergy Association.

Our technology

Since 2008, Airthings has introduced a steady stream of innovative solutions for consumers, businesses, and professionals, tackling indoor air pollutants such as Radon, carbon dioxide (CO_2), and airborne chemicals (VOCs), as well as energy efficiency in buildings. The heart of our system is in the cloud where we provide advanced analytics and insights from the data. Airthings is gathering massive amounts of data from sensors in homes and buildings around the world. Our technology and solutions are done in-house. From industrial design and radio protocol, to app creation, software and firmware. The majority of products are smart products with corresponding apps, online dashboards, an API, plus a constant stream of new features. Airthings' offerings now include digital radon detectors as well as smart indoor air quality monitors and solutions for homes, schools, offices, restaurants, and other commercial buildings—earning a reputation of true leadership in the industry.

Business overview

Airthings is a hardware-enabled software company delivering innovative air quality and energy management solutions. The company develops, produces and sells air quality and energy management solutions to three customer segments: consumers, businesses and professionals.

Consumer

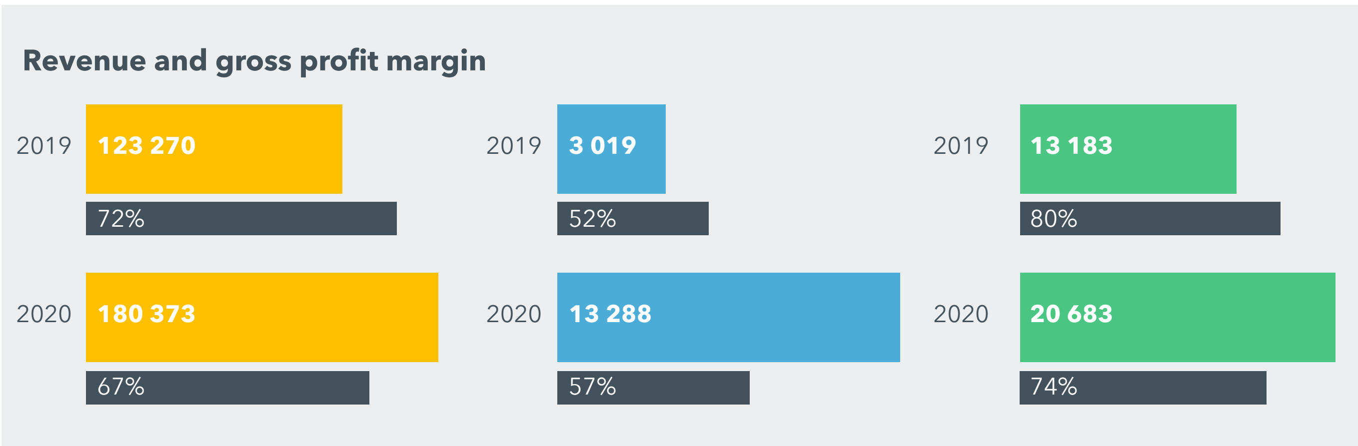
Our Consumer segment sells air quality sensors to everyone with a home that wants to take action, creating a healthy home environment. Airthings is the global leader in the air quality market. Our largest market is the US. Total 2020 revenue reached NOK180.4m, up 46% YoY. The strategy for the Consumer segment is to build a global presence by working with premium retailers and e-commerce partners worldwide. Currently, Amazon currently is the biggest sales channel.

Airthings for Business

Airthings for Business is our B2B segment, selling solutions to schools, office buildings, and other commercial buildings. Launched in 2019, the segment has grown significantly the last two years. 2020 revenue reached NOK13.3m up 340% YoY. A portion of this is recurring revenue. With Airthings for Business, the customers can monitor the indoor air quality and occupancy in real time and remotely make decisions to save energy and improve productivity of the people in the buildings.

Pro

Pro is our segment for home inspectors and radon professionals. By using our Corentium Pro, home inspectors and other radon professionals can accurately measure, analyze, and report radon levels in conjunction an inspection of a home or building. We offer products for sale and rental, as well as a calibration service. Our Pro segment grew by 57% YoY in 2020, to NOK20.7m. A portion of this is recurring revenue.



Letter from the CEO

Dear Airthings Community,

Without a doubt, 2020 has been a year to remember. While many companies saw challenges, Airthings, saw opportunities. 2020 brought air quality into focus—by federal governments, research, legislation and press. In response to the pandemic, we are seeing significant attention going towards helping schools and offices become healthy space. We see that Airthings can be a big part of reopening small businesses, schools, restaurants, gyms and more. And we see the momentum continuing to increase around the importance of air quality. In the midst of a global pandemic, we went public on Euronext Growth, part of the Oslo Stock Exchange, under the ticker AIRX. Through the acquisition of Airtight, we have increased our focus on energy efficiency in our B2B-segment, and at the end of October 2020, we enabled our customers to save 450 tonnes CO2 emissions through dynamic ventilation control.

Major accomplishments within our consumer business include successful product releases of two new hardware products, Hub and House Kit, as well as the Mold Risk Indicator feature which greatly increased Wave Mini sales. We continue to expand into some of the world's largest retailers with a successful launch into 545 Home Depot stores in the USA and 195 Clas Ohlson stores across Norway, Sweden, Denmark and Finland. And reaching a 4+ star-rating on Amazon across all Airthings products solidified our position as a category leader on the world's largest e-commerce platform.

Our B2B business has grown exponentially this year, enabled by expanded sales coverage, marketing, and new features like the Virus Risk Indication and CO2 Alert. We also received RESET certification on Wave Plus which is important in the building automation segment.

Our Radon Pro Business jumped from NOK12.7M in 2019 to NOK20.3M in 2020, and with an increase portion of service revenue . We have ramped up our rental program and opened a radon-certified Airthings Lab in the US to complete our Radon Professional certifications in a more sustainable and customer friendly way.

In December, we kicked off our partnership with the Champions Chess Tour (Play Magnus Group) by hosting the Airthings Masters which included the best Chess Grandmasters from all over the world competing online. Chess and esports, in general, have seen a huge rise in popularity during the pandemic and the demographics have great overlap with the Airthings demographics. As the Official Air Quality Partner of the tour, Airthings continues to partner with The Meltwater Champions Chess Tour throughout 2021.

PR and press coverage was up and we saw over 150% increase in web traffic from 2019. The Mold Risk Indicator and Virus Risk Indicator features each won Innovation Award Honorees at CES 2021. Airthings received the Global Product Leadership award from leading analyst firm Frost & Sullivan. We were one of 8 Norwegian companies named in the FT's 1000 Europe's fastest-growing companies of 2020.

In 2020 we spent time updating our company purpose and goals. 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 element of every building.

Sustainability has been at the heart of our company from the beginning, but in 2020 we took time to formalize our plans and become more transparent in our sustainability goals. We joined the UN Global Compact, focusing on responsible growth benefiting people and the planet. Externally, we create health-focused products that spread awareness about the dangers of poor indoor air quality. Internally, we have a focus on diversity and inclusion, promoting opportunity for all, no matter the race, age, gender, nationality or education.

Airthings' success is based on the work of a highly-skilled, passionate and diverse workforce. We hired 37 new employees in 2020 and now include more than 30 nationalities from every continent. We continue to do regular employee surveys and see that employee satisfaction continued to increase from the already high scores from 2019.

Sadly, the WHO says that 4.2 million people have died last year due to poor air quality. If we continue to educate on the dangers of poor air quality, we will do what we can to lower this number. That is why we have partnered up with the American Lung Association's LUNG FORCE initiative, the British Lung Association's Living Well Alliance, and the Norwegian Asthma and Allergy Association. We also created a purely educational site to help children, parents and teachers learn about air quality called Air for Kids.

If we continue to DARE, LOVE and FOCUS, imagine how we can empower the world to breather better.

Oyvind Birkenes
CEO, Airthings

Board of Directors Report

Airthings is a hardware-enabled software company which develops, markets and sell products and systems for monitoring indoor air quality, radon and energy efficiency. The company's head office is located in Oslo, Norway. The company's goal is to be a global leader in products and solutions for indoor air quality and radon measurement and energy efficiency. The company sells to the commercial market, the professional market, and to the consumer market. Airthings ASA has two wholly owned subsidiaries. One in the USA, Airthings America INC and one in Norway, Airtight AS.

Financial summary

Airthings has during 2020 grown both revenue and gross profit. The company has grown in all markets and segments where Airthings for Business, the company's B2B segment, has seen the most rapid increase. Together, the three entities make up Airthings Group.

Income statement

In the year under review, Airthings Group posted total revenue of NOK215.7m, up 49% YoY. Revenue was split NOK214.5m and NOK1.2m in sales revenue and other revenue, respectively. The latter is reduced by NOK2.6m from the 4Q20 report as only costs related to grants from Innovation Norway can be recognized as revenue, while the 4Q20 report also included Horizon 2020 grant related to Airtight acquisition.

Gross profit grew by 38% in the period, reaching NOK144.5m in 2020. Group gross margin contracted during the period, mainly driven by product mix in the Consumer segment, but also driven by a higher share of product sales in the Airthings for Business (AfB) segment. In AfB, the up-front hardware revenue has a lower margin, while the service recurring revenue has a very high margin.

EBIT decreased from NOK-16.5m to NOK-54.3m in the period. The decline is driven by increased personnel expenses due to planned expansion, where investments in the Airthings for Business segment salesforce has been a significant contributor. Furthermore, Airthings Group had other expenses related to share-based compensation (non-cash) and listing/private placement costs totaling NOK12.6m YoY.

Depreciation increased from NOK0.7m to NOK5.0m in 2020 due to goodwill from the acquisition of Airtight in 3Q20 in addition to investments in production tools.

Total financial expenses reached NOK4.9m in 2020, up NOK3.8m in the period.

Airthings net loss was NOK40.1m in 2020.

Balance sheet

As of December 31, 2020, Airthings Group had total assets of NOK738.4m. Current assets such as cash, receivables and inventory represented NOK654.3m. Non-current assets represented NOK84.1m and consisted primarily of deferred tax asset of NOK23.0m as well as goodwill of NOK36.4m related to the Airtight acquisition.

Airthings Group had total liabilities of NOK78.5m as per December 31, 2020, NOK66.2m being current liabilities such as payables, public duties, and other short-term debt where the latter also includes the two growth loans previously mentioned.

Airthings Group had a net cash position of NOK520.5m as per December 31, where cash and cash equivalents amounted to NOK537.0m and growth loans amounted to NOK16.5m. The growth loans were settled in January 2021.

Cash flow statement

Airthings Group's cash flow from operating activities decreased from NOK-34.2m to NOK-57.7m in 2020 driven by negative operating results, according to growth plan, as well as increased working capital as a result of company growth.

Total cash flow from investments was NOK-18.0m in 2020. The main drivers were cash payments related to the Airtight acquisition.

Cash flow from financing was NOK563.7m in 2020. Change in long-term interest bearing debt is related to installments on two growth loans. Both loans were repaid in January 2021 and are thus recorded as short-term interest bearing debt on the balance sheet. Change in equity is mainly related to the private placement in conjunction with the private placement completed in 4Q20. The total transaction was NOK870m split NOK500m and NOK370m in primary and secondary component, respectively. Total costs related to the transaction were NOK43.4m.

Allocation of net profit

The consolidated accounting loss ended at NOK40.1m. The allocation of the net profit for the year is shown in the Annual Financial Statement.

PARENT COMPANY ACCOUNTS

The parent company, Airthings ASA, had in 2020 a net loss of NOK30.1m (2019: loss of NOK13.2m). The revenue from sales amounted to NOK204.0m (2019: NOK139.4m) and other revenue to NOK1.2m (2019: NOK4.8m). Gross profit in 2020 was NOK135.0m (2019: NOK105.3m). Operating expenses amounted to NOK177.4m (2019: NOK121.3m) and loss before tax was NOK48.6m (2019: NOK17.1m). In 2020, the tax expense was NOK-18.5m (2019: NOK-4.0m).

Total assets per year end 2020 amounted to NOK746.6m (2019: NOK144.8m) whereof current assets of NOK633.6m. Total equity per December 31, 2020 was NOK671.3m (2019: NOK99.2m). Current debt per year end 2020 was NOK75.3m (2019: NOK27.7m). Per December 31, 2020 the Parent had no long term debt (2019: NOK17.9m).

Net cash flow from operating activities was NOK-50.5m (2019: NOK-34.4m), and net cash flow from investing activities was NOK-35.0m (2019: NOK-5.2m) included increase in loan to Airthings INC with NOK16.4m and cash settlement of Airtight with NOK12.8m. Net cash flow from financing activities was NOK563.7m (2019: NOK75.3m). Cash balance December 31, 2020 was NOK525.4m (2019: NOK47.1m).

In the opinion of the Board, the Annual Financial Statements provide a true and fair view of the Group's financial position at the end of the year. The Board deems the Group's liquidity and financing to be satisfactory and views the Annual Financial Statements and the Group's performance as a basis for the Group to continue as a going concern.

RISKS AND RISK MANAGEMENT

Risk management is a continuous process and an integrated part of the business. When operating across multiple markets, Airthings is exposed to a range of risks that may affect its business. Some key risk areas are discussed below.

Interest rate

Airthings borrowing were linked to NIBOR and as a result, the company was exposed to interest rate fluctuations. As all borrowings were repaid in January 2021, the company does no longer have any interest risk.

Liquidity

Management of liquidity risk is accorded high priority. Due to the private placement completed in 4Q20, the company has significant liquid assets and as such the liquidity risk is deemed to be low.

Credit

Airthings has close connection with its customers and as such the Group has low losses on receivables. However, the increased operations of the company outside the US and home market exposes Airthings to different credit risk environments. The Board of Directors deems credit risk to be at an acceptable level.

Foreign currency

The company is exposed to currency fluctuations due to the international nature of its operations. Most of the revenue and cost of goods sold are in the same currency, limiting the exposure. Currently, there is no currency hedging.

ORGANIZATION, WORKING ENVIRONMENT AND EQUALITY

In 2020, the average number of FTEs in the Group was 79, an increase of 35 compared to last year. The Group is satisfied with the working environment, and continuously strives to further improve the working environment. Sickness absence in the Group amounted to 0.66% (1.5% including child care days due to Covid-19) in 2020. No material personal injuries or damage to material was registered in 2020. Employee representatives serve on the company's board.

At the end of the year, 27% of the Group's employees were women. The IT industry in general is characterized by a low share of female employees. To counter this, Airthings works systematically to improve the share of female employees at all levels. One of the company's objectives is to offer equal salary levels and career opportunities regardless of gender. The Board of Directors comprises of 4 men and 3 women.

The purpose of the Norwegian Anti-Discrimination Act is to promote equality, safeguard equal opportunities and rights, and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, orientation, religion, or belief. Airthings endeavors to promote the objectives of the Act in its operations with regards to recruitment, wages and working conditions, promotion, development opportunities and protection against harassment. Airthings strives to be a workplace where there is no discrimination on grounds of disability.

CORPORATE GOVERNANCE

Airthings considers good corporate governance to be a prerequisite for value creation, trustworthiness, and access to capital. To secure strong and sustainable corporate governance, it is important that Airthings ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations across Airthings Group.

Airthings ASA is incorporated and registered in Norway and is subject to Norwegian law. The shares of Airthings are listed on Euronext Growth. As a Norwegian public limited liability company listed on Euronext Growth, Airthings must comply with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Oslo Børs, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance (Norwegian: "Norsk anbefaling for eierstyring og selskapsledelse"), issued by the Norwegian Corporate Governance Board, most recently revised on October 17, 2018 with the following exceptions:

- Corporate governance report to be reviewed and made available on company webpage.
- No current nomination committee, however board considers establishing committee by end of 2021.
- Establishment of audit committee to be considered. Current responsibilities are handled by selected board members.
- Executive compensation related matter are handled by selected board members, all independent of the company's executive personnel.
- Remuneration of board members are not linked to the company's performance. Board members will not be granted share options, however one board member has obtained options prior to listing.
- Guidelines related to compensation to excecutive employees will not be presented at the AGM.

The applicable governance principles in Airthings are articulated in a set of corporate governance principles which is approved by the BoD. These apply to all of Airthings' subsidiaries as well as Airthings itself. Key elements of these policies are included in this report.

Shareholders exercise the ultimate authority in Airthings through the Annual General Meeting, where all shareholders are entitled to attend. The BoD encourages all investors to participate in the AGM.

Financial reporting in Airthings is built on the reporting from the individual legal entities, which are reported monthly according to a pre-defined process and reported to the Group Finance team in a standardized format. These financial statements are reviewed by the Group Finance team before being consolidated into a set of consolidated financial statements for the Group. Based on these consolidated financial statements, management in Airthings reports on the financial performance of the Group to the BoD monthly. Furthermore, management prepares detailed quarterly financial reporting which is approved by the BoD and published externally.

Sustainability

At Airthings we are committed to grow responsibly for the wellbeing of the people and the planet.

Airthings is a purpose-driven company that cares about making a difference for our people, planet and the way we do business, by empowering the world to breathe better. As leaders in indoor air quality monitoring, with a focus on the health and wellbeing of homes and businesses alike, it is only natural to assume that sustainability is close to our values. 2020 was a milestone year in Airthings as we started our Sustainability Journey, creating a holistic sustainability strategy for its value chain. The 17 United Nations (UN) Sustainable Development Goals (SDGs) became the pillars for our framework and we are committed to embed them in all aspects of our business strategy.

As a first commitment to a plan of action, we decided to join the UN Global Compact. The voluntary initiative aims to implement universal sustainability principles and align operations and strategies. These include human rights, labor, environment, anti corruption and take actions that advance societal goals.

We worked very closely with our internal and external stakeholders to build a resilient strategy, we strongly believe that this close relationship encourages a chain reaction as a shared commitment. Airthings created a passionate team of 12 volunteers from a wide variety of Airthings departments and nationalities who helped shape Airthings future of sustainability. We have called them the "Sustainability Ambassadors", together with them we made Environment, Social and Governance (ESG) self diagnosis where we identified our positive and negative impacts (direct and indirect) that were mapped against the Sustainable Development Goals (SDGs). We identified 15 main material issues that are categorized in 3 main groups; Planet, People and Governance.

Airthings Values and ESG

We have identified that the sustainable dimensions play a central role as they are aligned with our core values:

- To love the planet and its people´s health and well-being by building an agile organization that cares about making a difference
- To dare innovate, be curious, and make a difference in the way we do business. Empower our employees to reach their goals and a work-life balance
- To focus on creating the best experiences and solutions, on our customers, processes, and quality by doing no harm to our environment while scaling innovative accessible solutions to serve a global market (as shown in the pie chart)

SDG Focus:

Airthings and the SDG

As all of the SDGs are interconnected and to able to focus our efforts and create an achievable and reliable strategy, we prioritized 5 SDGs that sum up these.

During the last year we worked on identifying not only our direct and indirect negative impacts, but also how Airthings provide products and services that contribute to achieving the SDGs:

SDG-3 Health and Wellbeing: On average people spend 90% of the time indoors. It is shocking though, that the air we breathe most–indoor air–is often 2 to 5 times worse than outside (EPA). Radon gas, for instance, gets trapped indoors, causing more than 20 000 people to lose their lives every year in Europe, 21 000 in the US, and over 350 in Norway alone. There is also particulate matter (PM 2.5) which comes from city pollution, combustion from cooking and fireplaces, as well as wildfires, and dust and other allergens. PM 2.5 is a known factor in heart attacks and cancer and the leading cause of death due to poor air quality, causing an alarming rate of 379,000 premature deaths in Europe (Miljødirektoratet, 2020). Also very important, good air quality is proven to help with sleep, decision making, focus, productivity and overall well-being. Just recently with the pandemic, these facts have come to the forefront in the news. With Airthings air quality monitors, simple changes at home, at work, at school, make a big difference in our overall health, safety and wellbeing. Monitoring and learning about the air we breathe will empower us to breathe better and change our habits indoors to enjoy fresher air.

SDG-13 Climate Action: Because we spend 90% of our time indoors, comfort and air circulation are important in buildings, however, it also requires a high amount of energy consumption. Therefore, buildings are Europe's largest energy consumer, accounting for approximately 40% of EU energy consumption and 36% of the total CO_2 emissions in Europe. With Airthings devices and solutions we are able to optimize the ventilation system to help customers decrease their energy consumption by up to 25%. Approximately 10% of energy consumption can be saved by optimizing heating, ventilation and air conditioning, while on average during operating hours, 15% of energy consumption can be saved by aligning indoor and outdoor pressure. Since fall of 2020, we have helped our customers reduce 567 tons of CO_2 emissions or the equivalent to removing 138 fossil fuel cars from the road for a year. We have established an ambitious goal to help our customers reduce their energy consumption and mitigate 1.000.000 tons of CO_2 emissions by 2026, or the equivalent of 61.728 Amsterdam - NYC flights. (Calculations based on estimates of energy saved from buildings controlled by Airthings devices.)

We understand sustainability as a state to reach, where our values will be 100% aligned with the 3 sustainability dimensions: people, planet and business. We should pursue economic growth without causing harm to the environment and take good care of the people involved in our value chain. While we have considered sustainability for a while, there is a long road ahead for us to be considered a fully sustainable company, but this first step explains our understanding of the importance of this quest. For further information, please refer to the separately prepared ESG/ Sustainability Report for 2020, which is prepared in accordance with the UN Global Compact (UNGC). You can have access to this paper once is accepted by the UNGC through www.airthings.com/sustainability.

EQUITY AND SHAREHOLDER ISSUES

In 2020, Airthings Group increased its share capital by NOK570 598,37 to NOK1 706 056.37 allocated to 170 605 637 shares, each with a nominal value of NOK0.1. The increase was driven by private placements - raising growth capital, acquisition of Airtight, and share issue in connection with the employee option program.

The Extraordinary General Meeting on October 22, 2020 authorized the board of directors to increase the share capital by up to NOK663 306 for three different purposes. The authorization is valid until the earlier of Airthings Annual General Meeting in 2022 and June 2022.

- Offer to subscribe for the Company's shares (including any over-allotment) in advance of or in connection with a potential listing of the Company's shares on a marketplace
- Raising capital to finance the Company's operations, and in connection with acquisitions and mergers
- Issuance of shares to the Group's employees or board members in connection with option and incentive programs, both individual and general, and other share-based remuneration

2021 OUTLOOK AND EVENTS AFTER END OF 2020

Airthings key focus for 2021 is to continue capitalizing on the current land grabbing opportunity. While the company focuses on organic growth as the NOK1bn revenue target for 2024 is purely organic, Airthings has an opportunistic view on potential acquisitions. Future financial performance for Airthings will depend both on the market demand for the products and services offered by Airthings, and Airthings' ability to address this market demand. The Board of Directors believes Airthings is well positioned to grow and improve profitability, and the ambition for 2021 is revenue in the range of NOK315-345m and year-end ARR in the range of NOK32-40m.

Early 2020, the global pandemic situation arose from the outbreak of the SARS-CoV-2 virus (Covid-19). This pandemic situation represents a challenge to the global economy with no historic precedent and has thus created a significant uncertainty on future economic outlook globally.

At the date of this report, all Airthings employees are safe and remain productive. Airthings has taken measures to protect employees and support the ongoing efforts to contain the Covid-19 pandemic in line with local and global health authorities, and the transition to remote work has so far been seamless for our employees, customers, and business partners.

In terms of business impact, Airthings has so far seen limited impact as the consumer demand for our products have in some cases increased due to elevated air quality awareness, while in other instances Covid-19 has slowed retail store roll-out and limited access to buildings for our B2B segment. Going forward, the long-term impact will depend on the overall development of the pandemic itself and the public measures taken to contain the spread of the virus, which in some scenarios could impact Airthings through lower growth rates, increasing credit risk and challenges in recruiting and onboarding new staff. The board continues to monitor the situation carefully to ensure appropriate actions are taken as the situation continues to unfold during 2021.

The Board emphasizes that forward looking statements contained in this report are based on various assumptions and forecasts that, by their nature, involve risk and uncertainty. Accordingly, actual results may differ materially. The board of directors would like to extend our appreciation to the Airthings workforce for their contributions during 2020.

Øyvind Birkenes
CEO

Geir Førre
Chair

Lars Boilesen
Board member

Liv Dyrnes
Board member

Audhild Andersen Randa
Board member

Aksel Lund Svindal
Board member

Tore Rismyhr
Board member, employee

Anlaug Underdal
Board member, employee

Oslo, March 24, 2021

Statement of the Board and CEO

The Board and CEO have today considered and approved the Director's Report and Annual Financial Statements for Airthings ASA as of December 31, 2020 (Annual Report 2020).

Consolidated Financial Statements have been prepared in accordance with the Accounting Act (Norway) and generally accepted accounting principles.

To the best of our knowledge:

- The Annual Financial Statements for 2020 for the parent company and Group have been prepared in accordance with applicable accounting standards.
- The information in the Annual Financial Statements gives a true and fair view of the assets, liabilities, financial position and overall results as of December 31, 2020.
- The Director's Report gives a true and fair view of:
  - The development, result and position of the Group and parent company.
  - The principal risks and uncertainties faced by the Group and the company.

Øyvind Birkenes CEO	**Geir Førre** Chair	**Lars Boilesen** Board member	**Liv Dyrnes** Board member
Audhild Andersen Randa Board member	**Aksel Lund Svindal** Board member	**Tore Rismyhr** Board member, employee	**Anlaug Underdal** Board member, employee

Oslo, March 24, 2021

Shareholder information

Airthings objective is to provide positive value creation and long-term return to shareholders that reflects the inherent risk in the company. The Company plans to achieve this by delivering on its business plan and through precise communication ensuring that the share price accurately reflects the value, and growth prospects, of the Company.

Investor relations

Communicating with investors and analysts, both in Norway and internationally, is a high priority for Airthings.

The Company's objective is to ensure that investors, potential investors, the market in general and other stakeholders gain simultaneous access to accurate, clear, relevant, and up-to-date information about Airthings.

To facilitate this, the Group will hold quarterly presentations of its most recent quarterly results, with attendance from senior management. These presentations will be open to the investor community and the public and will also be available online.

All investor relation activities are conducted in compliance with relevant rules, regulations, and recommended practices. Airthings continually provides its investors, Oslo Børs, the securities market and financial market in general, with timely and precise information about Airthings and its operations.

Devoted to good Corporate Governance

Airthings considers good corporate governance to be a prerequisite for value creation and trustworthiness, and for access to capital.

In order to secure strong and sustainable corporate governance, it is important that Airthings ensures good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the Group.

Airthings has governance documents setting out principles for how its business should be conducted. These apply to all of Airthings' subsidiaries as well as Airthings itself. References to certain more specific policies are included in this corporate governance policy, where relevant. Airthings' governance regime is approved by the board of directors of Airthings.

Employee Share Purchase Program

Airthings has a share based payment program where all employees are granted share options when they commence in their position.

The vesting time of options is four years from grant date; 25% of the options vest on the first anniversary of the grant date and the remaining 75% of the options vest in equal monthly tranches over the next 36 months. Options expire ten years after grant date. For further details, please see Note 2.

Share capital

At December 31, 2020, the share capital in the company was NOK1 706 056,37, divided into 170 605 637 shares with a nominal value of NOK0.01 per share. Airthings has one class of shares, with each share carrying one vote. Firda AS was the largest share owner with 24 949 613, or 14.6%, of the share capital.

Shareholder	Shares	Ownership
Firda AS	24 949 613	14.6%
Rabakken Invest AS	8 300 364	4.9%
Verdipapirfondet KLP Aksjenorge	8 062 222	4.7%
Atlas Invest AS	5 637 468	3.3%
Verdipapirfondet Norge Selektiv	4 984 704	2.9%
Sundal, Bjørn Magne	4 851 853	2.8%
Wøien, Halvor	4 829 522	2.8%
Bolle, Erlend Peter Johnsen	4 819 722	2.8%
Skilling Systemer AS	4 350 763	2.6%
J.P. Morgan Bank Luxembourg S.A.	4 258 660	2.5%
Other	95 560 746	56.0%
Total shares	170 605 637	100.0%

Financial calendar	
1Q21 quarterly results	April 29, 2021
Half-yearly report	July 29, 2021
3Q21 quarterly results	October 28, 2021
4Q21 quarterly results	February 17, 2022

Analyst coverage		
DNB	Christoffer Wang Bjørnsen	+47 24 16 91 43
Arctic Securities	Henriette Trondsen	+47 21 01 32 84
ABG	Øystein Lodgaard	+47 22 01 60 26
Carnegie	Eirik Rafdal	+47 22 00 93 78

Ownership structure - Number of shares held	Number of shareholders	Number of shares	Proportion of share capital
1-1 000	648	296 635	0.2%
1 001-10 000	423	1 561 398	0.9%
10 001-100 000	126	4 076 472	2.4%
100 001-500 000	59	14 344 297	8.4%
500 001-	54	150 326 835	88.1%
Total	1 310	170 605 637	100.0%

Consolidated income statement

Consolidated income statement		Parent		Group	
P&L (NOK 1 000)	**Notes**	**2020**	**2019**	**2020**	**2019**
Sales revenue	10,12	203 961	139 426	214 494	139 472
Other operating income	13	1 160	4 809	1 160	4 809
Operating income		205 121	144 235	215 654	144 281
Cost of sales	10	70 154	38 902	71 134	39 202
Gross profit		134 967	105 333	144 519	105 079
Payroll expenses	1,2	76 022	46 640	85 599	52 097
Other operating expenses	1,10,14	101 427	74 617	108 176	68 805
EBITDA	22	- 42 482	- 15 924	- 49 255	- 15 823
Depreciation	5,16	1 996	617	4 997	694
Operating profit (loss) / EBIT		- 44 478	- 16 542	- 54 252	- 16 517
Interest income from group entities	10	587	296	0	0
Other interest income		166	353	183	354
Total financial income		753	649	183	354
Other interest expenses		1 006	959	1 004	964
Other financial expenses	17	3 907	283	3 911	178
Total financial expenses		4 913	1 242	4 915	1 142
Net financial income and expenses		- 4 160	- 593	- 4 732	- 787
Result before tax		- 48 638	- 17 135	- 58 984	- 17 304
Tax expense	3,4	- 18 512	- 3 961	- 18 858	- 3 992
Result of the year		- 30 126	- 13 174	- 40 126	- 13 312
Pre-split earnings per share (NOK)*					
Earnings (loss) per share				-60.82	-24.13
Diluted earnings (loss) per share				-60.82	-24.13
Post-split earnings per share (NOK)**					
Earnings (loss) per share				-0.30	-0.12
Diluted earnings (loss) per share				-0.30	-0.12
Brought forward					
From other equity		30 126	13 174	40 126	13 312
Total brought forward	9	- 30 126	- 13 174	- 40 126	-13 312

Balance sheet

Consolidated balance sheet		Parent		Group	
Assets (NOK 1 000)	**Notes**	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Intangible fixed assets					
Software and systems	16	5 183	3 672	5 183	3 672
Research and development	16,19			1 469	
Deferred tax asset	3,4	22 057	3 900	22 933	4 477
Goodwill	16,19			36 427	
Total intangible assets		27 240	7 572	66 011	8 149
Tangible fixed assets					
Plant and machinery	5			456	349
Equipment, fixtures and fittings and tools	5,15	4 077	1 915	4 619	1 948
Total tangible assets		4 077	1 915	5 076	2 297
Investments in subsidiaries	11,19	45 656	291		
Loan to group companies	10,15	23 278	6 834		
Other receivables	15	12 713	42	13 004	353
Total fixed financial assets		81 648	7 167	13 004	353
Total non-current assets		112 965	16 665	84 091	10 799
Current assets					
Inventories	6,15	37 707	28 044	40 095	29 029
Total inventories		37 707	28 044	40 095	29 029
Receivables					
Accounts receivables	15	56 150	38 806	59 730	40 736
Other receivables	13	14 433	14 164	17 387	14 169
Total debtors		70 584	52 970	77 118	54 905
Bank deposits, cash and cash equivalents	7	525 358	47 130	537 048	49 076
Total current assets		633 649	128 144	654 261	133 010
Total assets		746 614	144 798	738 351	143 809

Balance sheet

Consolidated balance sheet		Parent		Group	
Equity and liabilities (NOK 1 000)	**Notes**	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Paid in equity					
Share capital	8	1 706	568	1 706	568
Own shares	9		- 3		- 3
Share premium reserve	9	711 464	91 668	711 464	91 668
Other paid-in equity		9 912	5 587	9 912	5 587
Total restricted equity	9	723 082	97 820	723 082	97 820
Retained earnings					
Other equity	9	- 51 817	1 388	- 63 256	- 314
Total retained earnings	9	- 51 817	1 388	- 63 256	- 314
Total equity		671 265	99 209	659 826	97 507
Liabilities					
Other long-term liabilities					
Liabilities to financial institutions			8 889		8 889
Employers fee share based payments	2,15	12 304		12 304	
Other long-term liabilities	15		9 000		9 000
Total other long-term liabilities		12 304	17 889	12 304	17 889
Current liabilities					
Liabilities to financial institutions	15	7 222		7 222	
Trade payables		23 812	11 927	23 788	12 149
Tax payable	3,4				39
Public duties payable		7 573	3 416	7 577	3 416
Other short term liabilities	18	24 437	12 357	27 634	12 810
Total current liabilities		63 045	27 701	66 222	28 414
Total liabilities		75 349	45 589	78 526	46 303
Total liabilities and shareholders' equity		746 614	144 798	738 351	143 809

Øyvind Birkenes
CEO

Geir Førre
Chair

Lars Boilesen
Board member

Liv Dyrnes
Board member

Audhild Andersen Randa
Board member

Aksel Lund Svindal
Board member

Tore Rismyhr
Board member, employee

Anlaug Underdal
Board member, employee

Oslo, March 24, 2021

Cash flow

Consolidated cash flow statement		Parent		Group	
(NOK1 000)	**Notes**	**2020**	**2019**	**2020**	**2019**
Operating activities					
Profit before tax		- 48 638	- 17 135	- 58 984	- 17 304
Paid tax	2,3	0	0	- 39	0
Depreciation and amortization	5,16	1 996	617	4 997	694
Adjustment for share-based payment	2	4 325	4 118	4 688	4 118
Change in inventories	6	- 9 663	- 13 872	- 11 066	- 14 242
Change in accounts receivable	15	- 17 344	- 10 621	- 18 994	- 9 889
Change in accounts payable	15	11 885	- 2 961	11 639	- 3 353
Change in provisions and other payables/receivables		6 963	5 422	10 043	5 727
Net cash flow from operating activities		- 50 477	- 34 430	- 57 715	- 34 248
Investing activities					
Purchase of intangible and fixed assets	5,16	- 5 669	- 4 058	- 6 329	- 4 247
Acquisition of subsidiary	11,19	- 12 758	0	- 12 758	0
Cash from acquisitions	19	0	0	1 463	0
Payments on long-term receivables		- 16 527	- 1 113	- 347	- 182
Net cash flow from investing activities		- 34 954	- 5 171	- 17 971	- 4 429
Financing activities					
Proceeds from borrowings		0	17 889	0	17 889
Repayment of borrowings		- 1 667	0	- 1 667	0
Proceeds from issuing new shares and capital increases	9	563 592	54 729	563 592	54 729
Proceeds from sales of own shares	9	1 732	2 676	1 732	2 676
Net cash flow from financing activities		563 658	75 295	563 658	75 295
Net change in cash and cash equivalents		478 227	35 694	487 972	36 617
Cash and cash equivalents at the beginning of the period		47 130	11 437	49 076	12 459
Cash and cash equivalents at the end of period	7	525 358	47 130	537 048	49 076

Notes to the financial statement 2020

Information about the Company and the Group

Airthings ASA is a public limited liability company incorporated and domiciled in Norway. The Company's office address is Wergelandsveien 7, 0167 Oslo, Norway. The Company's shares are listed on Euronext Growth Oslo.

The Airthings Group is comprised by Airthings ASA and two wholly owned subsidiaries. One in the USA, Airthings America INC and one in Norway, Airtight AS.

These consolidated financial statements have been approved for issuance by the Board of Directors on March 24, 2021, and is subject to approval by the Annual General Meeting on May 5, 2021.

Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

Going Concern

The annual accounts have been prepared based on the going concern assumption in accordance with section 3-3a of the Norwegian Accounting Act. This is based on the Group's plans, budgets and level of activity going forward.

Basis of consolidation

The consolidated financial statements for 2020 comprise the parent company and its subsidiaries (collectively referred to as the "Group" or to each company as a "group company"), and show the consolidated profit/loss and the consolidated financial position for the parent company Airthings ASA and its subsidiaries. Airtight AS was aquired in 2020, and is consolidated in to the Group at the time of control, which was August 21, 2020.

All significant transactions and outstanding balances between the companies are eliminated. Intercompany margin on inventory and assets that are held by the subsidiares per 31 December are also eliminated.

Statements are presented in Norwegian kroner (NOK), which is also the Parent Company's functional currency.

The accounting currency of Airthings America INC is USD. For consolidation purpose, the income statement is translated at the monthly average exchange rate. Assets and liabilities are translated at the foreign exchange rate at the balance sheet date. All exchange differences are entered as separate items as part of the consolidated statement of changes in equity.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from sale of goods are recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale for services

Revenue for services are recognised when the services are performed and the company has a right to payment for performed.

Rental income

Rental income is recognised on a straight-line basis over the lease term. Variable rent is recognised the company has the right to payment of the variable rent.

Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities.

Intangible assets / R&D

Expenditure on own Research and Development are expensed as and when they incur.

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortised linearly over the asset's expected useful life.

Fixed assets

Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Costs related to leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period.

Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Inventory

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost, including both variable and fixed production costs.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables. Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and tax losses varied forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Deferred tax on surplus value from acquisition of subsidiaries is not offset.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognised as operating income and cost of goods sold.

Reclassification of comparable figures

The cost of Employee stock options that should have been expensed and reported as personnel cost in the financial statement of 2019, is adjusted in the comparable figures. The payroll cost and the result of 2019 is effectively changed with MNOK 4,1 compared to the annual report for 2019.

Warranties, guarantee commitments/ complaints and service

Provision for warranties and service work for completed projects /sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognised in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Note 1 - Salaries and personnel expenses, remuneration to Corporate Management, Board of Directors and Auditor

Parent (NOK 1 000)	2020	2019
Salaries/wages	62 895	37 618
Non-cash share based payment	3 962	4 118
Social security fees	9 193	5 560
Pension expenses	2 390	1 415
Other benefits	1 523	1 561
Skattefunn	- 3 941	- 3 631
Expenses salaries and personnel costs	76 022	46 640
Average numbers of full-time equivalents	65	44

Group (NOK 1 000)	2020	2019
Salaries/wages	71 521	42 746
Non-cash share based payment	4 325	4 118
Social security fees	9 781	5 888
Pension expenses	2 390	1 415
Other benefits	1 523	1 561
Skattefunn	- 3 941	- 3 631
Expenses salaries and personnel costs	85 599	52 097
Average numbers of full-time equivalents	73	47

The cost of Employee stock options that should have been expensed and reported as personnel cost in the financial statement of 2019, is adjusted in the table above.

The payroll cost and the result of 2019 is effectively changed with NOK4.1m compared to the annual report for 2019.

Pension obligations

Airthings ASA has a pension scheme that meets the requirements set out in the Norwegian Obligatory occupational pension Act.

At December 31, 2020, Airthings ASA's pension scheme had 71 members. The cost of pension is specified in the above table.

Remuneration of Corporate Management and Board of Directors

Position	Øyvind Birkenes CEO	Erlend Bolle CTO	Koki Yoshioka COO	Lauren Pedersen CMO	Erik Lundby CFO
Period	1.1. - 31.12.	1.1. - 31.12.	1.1. - 31.12.	5.2. - 31.12.	24.8. - 31.12.
Salary	1 708	1 128	1 172	1 052	422
Bonus	360	50	50		
Pension Cost	56	51	53	56	20
Benefits in kind	11	11	11	164	3
Exercised share options, taxable value	6 864				
Total	8 998	1 240	1 286	1 272	445

Position	Pål Berntsen VP & GM Airthings for Business	Torje Carlsson VP & GM Consumer Products	Jonas Olsson VP R&D Hardware Products	Alexander Sagen VP R&D Software Solutions
Period	1.1. - 31.12.	1.1. - 31.12.	1.4. - 31.12.	1.1. - 31.12.
Salary	1 221	1 242	785	907
Bonus	351	341		50
Pension cost	53	55	55	37
Benefits in kind	11	11	7	11
Exercised share options, taxable value	263			64
Total	1 899	1 649	847	1 069

Loans or guarantees have not been granted to management or other related parties in 2020 or 2019.

The CEO has a performance based bonus agreement up to 30% of base salary. The criteria for bonus achievement are 50% based on achievement of KPIs, and 50 % discretionary set by the Board. A bonus of NOK 360 000 was paid out in 2020.

VP & GM Airthings for Business and VP&GM Consumer products have an agreement of bonus up to 30% of base salary. The criteria for bonus achievement is based on the sales teams total budget.

The leadership team has an agreement of a bonus up to NOK 100 000 as a result of the company wide KPI targets.

The CEO and some members of the Board have share option rights. Granted and exercised options are listed in the table below. Taxable value of exercised options are presented in the table above. The employee share option program is described in the note 2 - Share-based Payment. Note 8 provides further information on shares held by the Management Team and Board of Directors.

There are no agreements for severance pay to the CEO, Corporate Management or Board of Directors.

Remuneration to the Board of Directors (NOK 1 000)

Name	Position	Period	2020
Geir Førre	Chair	1.1 - 31.12.	175
Aksel Lund Svindal	Board Member	1.1 - 31.12.	
Lars Boilesen	Board Member	1.10. - 31.12.	100
Liv Dynes	Board Member	1.10. - 31.12.	100
Audhild Andersen Randa	Board Member	1.10. - 31.12.	100
Anlaug Underdal	Employee representative	1.10. - 31.12.	
Tore Rismyhr	Employee representative	1.10. - 31.12.	
Total			**475**

Remuneration of the Board of Directors consist of a fixed annual fee, and was adopted by the General Meeting on October 22, 2020. Annual remuneration is NOK 350 000 for the Chair and NOK 200 000 for Board Members, whereof 50% shall be paid out in advance and 50% in arrears. Board Member Aksel Lund Svindal will not receive additional remuneration until his granted share options are fully vested. Vesting period is four years from grant date April 1, 2019. Employee representatives do not receive remuneration nor share options for board participation.

Share options to Corporate Management and Board of Directors

Position	Øyvind Birkenes CEO	Lauren Pedersen CMO	Erik Lundby CFO	Pål Berntsen VP & GM Airthings for Business	Torje Carlsson VP & GM Consumer Products
Options per January 1, 2020*	2 544 600			500 000	686 200
Grants 2020		200 000	160 000		
Exercised options 2020	608 000			27 000	
Average strike	0,7336	3,5550	7,5150	1,4500	1,4500
Average strike on exercised options	0,6073			1,4500	
Options per December 31, 2020	1 936 600	200 000	160 000	473 000	686 200
Expiration date	28/08/2025	05/02/2030	24/08/2030	01/01/2029	01/01/2029

* Number of options per January 1, 2020 recalculated based on split of shares adopted by the General Meeting October 1, 2020, see further details in note 2.

Position	Jonas Olsson VP R&D Hardware Products	Alexander Sagen VP R&D Software Solutions	Aksel LundSvindal Board Member	Anlaug Underdal Employee representative	Tore Rismyhr Employee representative
Options per January 1, 2020*		192 400	100 000	60 000	60 000
Grants 2020	200 000				
Exercised options 2020		10 000		13 000	16 200
Average strike	3,3550	1,2466	3,3550	1,4500	1,4500
Average strike on exercised options		0,7032		0,7032	3,3550
Options per December 31, 2020	200 000	182 400	100 000	47 000	43 800
Expiration date	01/04/2030	01/06/2027	01/04/2029	01/11/2027	01/10/2029

* Number of options per January 1, 2020 recalculated based on split of shares adopted by the General Meeting October 1, 2020, see further details in note 2.

Remuneration of auditors ex VAT (NOK 1 000)	
Statutory audit	292
Tax advisory and other services	234
Total remuneration to auditors	525

The subsidiaries, Airthings America INC and Airtight AS are not audited.

The cost of audit of the subsidiaries related to the Group Financial Statements is included in the total remuneration of NOK 525 400.

Note 2 - Share-based payment

Airthings has a share based payment program where all employees are granted share options when they commence in their position. The vesting time of options is four years from grant date; 25% of the options vest on the first anniversary of the grant date and the remaining 75% of the options vest in equal monthly tranches over the next 36 months. Options expire ten years after grant date.

The fair value of the employee services received in exchange for the grant of the options, is recognized as an expense based on the Company's estimate of equity instruments that will vest. The expense is reported as an employee expense with a corresponding increase in equity (other paid-in capital). The fair value of the options is measured using the Black Scholes model. Measurement inputs include share price on measurment date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The expected volatility is estimated at an average of 44.33% for 2020 and 47.17% for 2019 based on the volatility of comparable listed companies. The volume weighted average interest rate applied to the share option grants in 2020 and 2019 is respectively 0.77% and 1.34%. Expected turnover was for 2020 and 2019 set to 2%.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity. Changes to the estimates may significantly influence the expense recognized during a period. When options are exercised, the Company issues new shares. The proceeds received are recognized as share capital (nominal value) and share premium reserve. The cost of social security tax on exercised share options is carried by the employees. The social security tax on vested, non exercised options is presented in the balance sheet both as a receivable towards employees and a payable to the tax authorities. On December 31, 2020, a total social security tax on vested, non exercised options was recognized as a long term receivable and long term debt of NOK12.3m.

In 2020, NOK4.3m was recognized as cost of share-based payment for the Group. The corresponding figure for 2019 was NOK4.1m. The cost of Employee stock options that should have been expensed and reported as personnel cost in the financial statement of 2019, is adjusted in the comparable figures. The payroll cost and the result of 2019 is effectively changed with NOK4.1m compared to the annual report for 2019. The cost of share-based payment for the Parent was NOK4.0m in 2020 and NOK4.1m in 2019.

October 1, 2020 the General Meeting adopted a split of shares where the nominal value of each share changed from NOK 2.00 to NOK 0.01 and the number of share options effectively multiplied with 200. The weighted-average assumption used to determine the Black Scholes fair value of options granted in 2020 (pre- and post-split) and 2019 were:

	01.01.2019 - 31.12.2019	
	Shares	**Weighted Average**
Dividend Yield	17 231	
Interest Rate (%)	17 231	1.34
Expected Life (in Years)	17 231	6.9598
Volatility (%)	17 231	47.17
Share Price (NOK)	17 231	621.7200
Exercise Price (NOK)	17 231	513.7189

	01.01.2020 - 01.10.2020	
Pre-Split	**Shares**	**Weighted Average**
Dividend Yield	7 700	
Interest Rate (%)	7 700	0.97
Expected Life (in Years)	7 700	10.0000
Volatility (%)	7 700	49.46
Share Price (NOK)	7 700	1 019.0100
Exercise Price (NOK)	7 700	891.7400

Post-Split	01.01.2020 - 31.12.2020 Shares	Weighted Average
Dividend Yield	150 824	
Interest Rate (%)	150 824	0.77
Expected Life (in Years)	150 824	9.9024
Volatility (%)	150 824	44.33
Share Price (NOK)	150 824	11.5126
Exercise Price (NOK)	150 824	10.5389

In 2020, 158 524 share options were granted to a weighted average exercise price of NOK53.34, and 908 684 options were exercised. The corresponding numbers for 2019 were 17 321, NOK513.72, and 321, respectively. As of December 31, 2020, there were a total of 9 715 824 outstanding options. Of these, 5 494 600 were vested. Comparable figures for 2019 were 47 708 outstanding options whereof 24 229 were vested.

The following table shows the changes in share based payment in 2020 and 2019:

Period activity (NOK)	01.01.2020 - 31.12.2020		01.01.2019 - 31.12.2019	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at the beginning of period	47 708	283.76	30 798	153.70
Granted	158 524	53.34	17 231	513.72
Exercised	-908 684	1.42	-321	149.64
Forfeited	-1 762	298.14		
Expired				
Modification*	10 420 038	1.86		
Outstanding at the end of period	9 715 824	2.08	47 708	283.76
Vested outstanding	5 494 600	1.06	24 229	140.41

*Modification due to split of 200 in October 2020.

Outstanding options 2020 pre- and post split

Pre-Split Exercise price	Outstanding Options Per 01.10.2020	Weighted average remaining contractual life	Weighted average remaining years until vesting	Weighted average exercise price	Vested outstanding per 01.10.2020	Weighted average exercise price	Weighted average remaining life vested
0.00-10.00							
10.00-100.00							
100.00-1 000.00	49 962	7.21	0.51	324.49	29 744	194.66	6.27
1 000.00-	2 400	9.88	2.04	1379.21			
Grand Total	52 362	7.34	0.58	372.84	29 744	194.66	6.27

Post-Split Exercise price	Outstanding Options Per 31.12.2020	Weighted average remaining contractual life	Weighted average remaining years until vesting	Weighted average exercise price	Vested outstanding per 31.12.2020	Weighted average exercise price	Weighted average remaining life vested
0.00-10.00	9 625 000	7.24	0.54	1.97	5 494 600	1.06	6.24
10.00-100.00	90 824	9.91	2.06	13.00			
100.00-1 000.00							
1 000.00-							
Grand Total	9 715 824	7.27	0.55	2.08	5 494 600	1.06	6.24

Outstanding options 2019

Exercise price	Outstanding Options Per 31.12.2019	Weighted average remaining contractual life	Weighted average remaining years until vesting	Weighted average exercise price	Vested outstanding per 31.12.2019	Weighted average exercise price	Weighted average remaining life vested
0.00-10.00							
10.00-100.00							
100.00-1 000.00	47 708	7.74	0.71	283.76	24 229	140.41	6.60
1 000.00-							
Total	47 708	7.74	0.71	283.76	24 229	140.41	6.60

Please refer to Note 1 for further details on granted share options to Management Team and Board of Directors.

Note 3 - Tax Airthings ASA

This year's tax expense (NOK 1 000)	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	- 356	
Change in deferred tax asssets	- 18 156	- 3 961
Tax expense on ordinary profit/loss	- 18 512	- 3 961

Taxable income (NOK 1 000)	2020	2019
Ordinary result before tax	- 48 638	- 17 135
Permanent differences	- 35 508	- 4 988
Change in temporary differences	199	82
Taxable income	- 83 947	- 22 041

Payable tax in the balance (NOK 1 000)	2020	2019
Payable tax on this years's result		
Tax on reversed losses	- 356	
Total payable tax in the balance	- 356	

Negative payable tax applies to the right to return losses for 2020 towards taxable profit in 2019 and 2018.

The tax effect of temporary differences and loss carried forward that has formed the basis for deferred tax and deferred tax assets, specified on types of temporary differences:

	2020	2019	Difference
Tangible assets	218	193	- 26
Inventory	- 225		225
Total	- 7	193	199
Accumulated loss to be carried forward	- 100 252	- 17 922	82 329
Basis for deferred tax assets	- 100 258	- 17 729	82 529
Deferred tax assets (22%)	- 22 057	- 3 900	18 156

Based on board approved forecasts for the period 2020-2025, there will be sufficient profit to make full use of the carryforward deficits. On the back of this, deferred tax assets have been capitalized.

Note 4 - Tax Airthings Group

This year's tax expense (NOK 1 000)	2020	2019
Payable tax Airthings ASA (see Note 3)	- 356	
Change in deferred tax Airthings ASA (see Note 3)	- 18 156	- 3 961
Payable tax Airthings INC		25
Payable tax Airtight AS	- 47	
Change in deferred tax on elimination of intercompany margin	- 299	- 56
Total	- 18 858	- 3 992

Temporary differences (NOK 1 000)	2020	2019
Airthings AS (see Note 3)	- 100 285	- 17 729
Airthings INC, federal tax.	-6 580	-161
Non capitalized deferred tax asset in Airthings INC.	6 580	161
Airtight AS	- 100	
Non capitalised deferred tax asset in Airtight AS	100	
Elimination of Intercompany margin per 31.12.	- 3 981	- 2 621
Basis for deferred tax	- 104 266	- 20 351
Deferred tax asset	22 933	4 477

Payable tax in the balance (NOK 1 000)	2020	2019
Airthings ASA	- 356	
Airtight AS	- 100	
Airthings America INC		39
Total payable tax in the balance	- 456	39

Note 5 - Fixed assets

Parent (NOK 1 000)	Property, plant and equipment	Total
Acquisition cost 1 January	3 233	3 233
Additions	3 141	3 141
Disposals		
Acquisition cost 31.12	6 374	6 374
Accumulated depreciations 31 December	- 2 298	- 2 298
Book value 31.12	4 077	4 077
Depreciation in the year	979	979
Depreciation rate (%)	20 %	
Depreciation plan	Linear	
Econmic useful life	5 years	

Group (NOK 1 000)	Property, plant and equipment	Rental instruments	Total
Acquisition cost 1 January	3 269	459	3 729
Acquisition cost Airtight 1 January	438		
Additions	3 552	249	3 801
Disposals			
Acquisition cost 31.12	7 259	709	7 530
Accumulated depreciations 31 December	- 2 640	- 252	- 2 893
Book value 31.12	4 619	456	4 637
Depreciation in the year	1 165	143	1 308
Depreciation rate (%)	20 %	20 %	
Depreciation plan	Linear	Linear	
Economic useful life	5 years	5 years	

Note 6 - Inventory

	Parent		Group	
Inventory (NOK 1 000)	**2020**	**2019**	**2020**	**2019**
Purchased finished goods	37 707	28 044	40 095	29 029
Acquisition cost 31 December	37 707	28 044	40 095	29 029
Inventories valued at purchase cost	37 932	27 835	40 320	14 787
Inventories valued at net realisable value	37 707	27 835	40 095	14 787
Write-down for obsolescence	225		225	

Note 7 - Restricted bank deposits, cash in hand etc.

Restricted funds deposited in the tax deduction account (NOK 1 000)	Parent 2020	Parent 2019	Group 2020	Group 2019
Restricted tax deductions	4 267	2 084	4 395	2 084
Restricted cash	3 958	2 538	3 958	2 538
Other restricted funds	1 400		1 400	

Other restricted funds is a guarantee related to a credit agreement with DNB Mastercard.

Note 8 - Number of shares, shareholder, etc.

Share capital	Number	Nominal value	Book value
Ordinary shares	170 605 637	0.01	1 706 056.37

20 largest shareholders	Shares	Ownership
Firda AS	24 949 613	14.6%
Rabakken Invest AS	8 300 364	4.9%
Verdipapirfondet KLP Aksjenorge	8 062 222	4.7%
Atlas Invest AS	5 637 468	3.3%
Verdipapirfondet Norge Selektiv	4 984 704	2.9%
Sundal, Bjørn Magne	4 851 853	2.8%
Wøien, Halvor	4 829 522	2.8%
Bolle, Erlend Peter Johnsen	4 819 722	2.8%
Skilling Systemer AS	4 350 763	2.6%
J.P. Morgan Bank Luxembourg S.A.	4 258 660	2.5%
Yoshioka, Koki	4 166 650	2.4%
JPMorgan Chase Bank, N.A., London	4 000 000	2.3%
Danske Invest Norge Vekst	2 962 962	1.7%
Verdipapirfondet DNB Norge	2 962 962	1.7%
Storebrand Norge I Verdipapirfond	2 901 978	1.7%
MØSBU AS	2 814 236	1.6%
HSBC Trinkaus & Burkhardt AG	2 770 974	1.6%
Verdipapirfondet DNB SMB	2 664 451	1.6%
Longfellow Invest AS	2 427 534	1.4%
Storlien Invest AS	2 427 533	1.4%
Other	65 461 466	38.4%
Total shares	170 605 637	100.0%

The company has one class of shares and all shares have equal voting rights.

Shares owned by members of the board and management

Shareholder	Position	Shares
Geir Førre (through Firda AS)	Chair	24 949 613
Aksel Lund Svindal (through A Management)	Board member	1 088 133
Liv Dyrnes	Board member	7 500
Audhild Andersen Randa	Board member	15 000
Tore Rismyhr	Board member	63 800
Anlaug Underdal	Board member	42 800
Øyvind Birkenes (privately and through Longfellow Invest AS)	CEO	2 798 114
Erik Lundby (through Calluna AS)	CFO	146 811
Erlend Bolle	CTO	4 819 722
Koki Yoshioka	COO	4 166 650
Lauren Pedersen (through Lato Invest AS)	CMO	255 400
Jonas Olsson	VP R&D Hardware Products	31 800
Alexander Sagen	VP R&D Software Solutions	110 000
Pål Berntsen (privately and through Dube AS)	VP & GM Airthings for Business	518 200
Torje Carlsson (through Carlsson Invest AS)	VP & GM Consumer Products	360 000
Total		39 373 543

Note 9 - Equity

Parent (NOK 1 000)	Share capital	Treasury shares	Share premium reserve	Other paid-in equity	Other Equity	Total
Equity 1 January 2020	568	- 3	91 668	5 587	1 388	99 209
Adjusted opening balance, share-based payment					285	285
Sale of treasury shares		3			1 732	1 735
Capital increase, April	56		59 944			59 999
Capital increase, July	18		27 736			27 754
Capital increase, August	21		32 222			32 244
Capital increase, fund issue	663		- 663			
Capital increase, October	376		499 994			500 370
Capital increase, November	3		563			566
Share based payment				4 325		4 325
Costs related to capital increase October					- 34 688	- 34 688
Stabilisation mechanism					9 591	9 591
Result for the year					- 30 126	- 30 126
Equity 31 December 2020	1 706		711 464	9 912	- 51 817	671 265

Group (NOK 1 000)	Share capital	Treasury shares	Share premium reserve	Other paid-in equity	Other Equity	Total
Equity 1 January 2020	568	- 3	91 668	5 587	- 314	97 507
Adjusted opening balance, share-based payment					285	285
Sale of treasury shares		3			1 732	1 735
Capital increase, April	56		59 944			59 999
Capital increase, July	18		27 736			27 754
Capital increase, August	21		32 222			32 244
Capital increase, fund issue	663		- 663			
Capital increase, October	376		499 994			500 370
Capital increase, November	3		563			566
Share based payment				4 325		4 325
Share based payment Airthings America INC					363	363
Costs related to capital increase October *					- 34 688	- 34 688
Stabilisation mechanism **					9 591	9 591
Translation differences					- 100	- 100
Result for the year					- 40 126	- 40 126
Equity 31 December 2020	1 706		711 464	9 912	- 63 256	659 826

In comparable financial figures for 2019, reclassification has been made between Other paid-in Equity and Other Equity of NOK5.6m related to share based payment. The reclassification have been implemented in the opening balance per 1 January 2020.

*On October 30, 2020, Airthings completed a private placement and subsequent listing on Merkur Market (now Euronext Growth). Shares outstanding prior to and after the transaction were 132 667 280 and 170 306 237, respectively, representing an increase of 28% or 37 037 037 shares. Price per share was NOK 13.5.

The private placement and public listing were a prerequisite for each other. While the split between existing shares and new shares was 72-28 per cent, the assignment related to the private placement and subsequent listing essentially applies to work conducted towards new shareholders. As a result, we have assumed a cost split of 80-20 per cent on new vs. existing shareholders, respectively. Net, 20% of total costs of NOK43.4m have thus been recognized as OPEX, while the remaining 80% have been recognized as equity.

Costs related to shares sold as part of the secondary component of the transaction are charged to the individual shareholders directly.

**Proceeds from over-allotment in conjunction with the listing. The Company was not a direct party or participant in either the stabilization agreement or the option in any other way than accepting the event and agreeing on receiving a share of the proceeds related to any short-sale gain.

Note 10 - Related parties

Receivables on subsidiary Airthings America INC (NOK 1000)	2020	2019
Long term loan to Airthings America INC	23 278	6 834

Transactions with subsidiary Airthings America INC (NOK 1000)	2020	2019
Sale of goods to Airthings America INC	34 398	17 031
Purchase of services and cost allocation from Airthings America INC	1 093	13 189
Loan interest	587	296

Transactions with shareholders (NOK 1000)	2020	2019
Fees invoiced from Rabakken Invest AS	516	1 296
Commissions and accrued cost invoiced from Rn222 INC	7 549	6 033
Sale of goods to Rn222 INC	20 095	14 651
Fees invoiced from Energy Control AS		1 171
Rent of premises invoiced from Energy Control AS	118	
Sale of goods to Energy Control AS	79	116

Note 11 - Investment in subsidiaries

Investments in subsidiaries are booked according to the cost method.

Company (NOK 1 000)	Location	Ownership/ voting rights	Equity per 1.1.	Annual net profit/loss	Equity per 31.12.
Airthings America INC	USA	100 %	349	- 6 152	- 4 891
Airtight AS	Oslo	100 %	2 621	- 255	5 788

Book value of investment in balance sheet of Airthings ASA	Amount (NOK 1 000)
Airthings America INC	655
Airtight AS	45 002

Note 12 - Revenue

Parent (NOK 1 000)	2020	2019
Revenue from sale of goods (hardware)	201 673	139 240
Revenue from services performed (software)	2 288	186
Total	203 961	139 426

Geographical distribution (NOK 1 000)	2020	2019
EMEA	49 167	32 196
North America (USA and Canada)	154 793	107 230
Total	203 961	139 426

Group (NOK 1 000)	2020	2019
Revenue from sale of goods (hardware)	207 898	137 255
Revenue from services performed (software)	2 288	186
Other revenue (calibration, rentals, service)	4 307	2 032
Total	214 494	139 472

Geographical distribution (NOK 1 000)	2020	2019
EMEA	49 318	32 196
North America (USA and Canada)	165 176	107 276
Total	214 494	139 472

Note 13 - Grants

Parent company

The parent company has in 2020 received funding from Innovation Norway in addition to tax refunds (SkatteFUNN) which both are classified as operating grants. Operating grants are accounted for at the same time as the costs they are intended to cover. Tax refunds are accounted for as a cost reduction. The grant from Innovation Norway is presented as other revenue. The Skattefunn grant is presented as a short term receivable of NOK4.75m in the balance sheet and as a reduction of R&D cost, respectively as reduced employee cost and other operating cost.

Grants reported as other revenue (NOK 1 000)	2020	2019
The Norwegian Research Council		1 309
Innovation Norway	1 160	3 500
Sum	1 160	4 809

Subsidiaries

Airtight was in 2018 granted EUR1.72m through EU's Horizon 2020 program. The grant was 70% investment funding of a total project cost of EUR2.45m for the period August 1, 2018 to July 31, 2020. The grant was later extended with 1 year to July 31, 2021. The grant is reported net, which entails that 70% of the cost is netted against the funding directly. Airtight's own contribution to the project in 2020 - 30% - is reported as an R&D asset with NOK1.47m per December 31, 2020. Per year end 2020 the net receivable of the grant was EUR0.26m (NOK1.95m) and is reported as a short term receivable in the balance sheet. Deferred grant is reported as a short term debt with NOK0.59m.

Note 14 - Leasing - Operating leases

Parent

Lease object (NOK 1 000)	Expiration of agreement	Annual lease
Office space in Oslo	31.05.2027	4 760
Office space in Bergen	31.12.2021	118
Office space in Stockholm		87
Lease of office equipment	30.11.2022	8
Total		4 973

Group

Lease object (NOK 1 000)	Expiration of agreement	Annual lease
Office space in Chicago	31.08.2021	149
Office space in Florida	31.08.2021	77
Commercial space in Massachusetts	30.06.2023	89
Total		314

Note 15 - Debtors, liabilities, pledged assets and guarantees etc.

	Parent		Group	
Debtors which fall due later than one year after the expiry of the financial year (NOK 1 000)	**2020**	**2019**	**2020**	**2019**
Inter company loans	23 278	6 834		
Employers tax provisions related to share based compensation	12 304		12 304	
Other receivables to employees	27	180	27	180
Other costs accrued longer than one year	383	146	673	172
Total	12 713	327	13 004	353

Long-term debt and debt secured by collateral (NOK 1 000)	2020	2019	2020	2019
Long-term debt with more than five year maturity		9 000		9 000
Long-term debt secured by collateral		17 889		17 889
Short-term debt secured by collateral	16 222		16 222	
Short-term debt secured by collateral	12 304		12 304	

Book value of pledged assets (NOK 1 000)	2020	2019
Equipment, fixtures and fittings and other movables	4 077	1 915
Inventories	37 707	27 835
Accounts receivables	56 150	38 806
Total	97 934	68 556

	Parent	
Pledged amount (NOK 1 000)	**2020**	**2019**
Pledge on inventories	19 000	19 000
Pledge on operating assets	19 000	19 000
Pledge on accounts receivables	19 000	19 000
Total	57 000	57 000

Note 16 - Intangible assets

Parent (NOK 1 000)	Software and systems	Total
Acquisition cost 01.01	3 672	3 672
Additions	2 528	2 528
Disposals		
Acquisition cost 31.12	6 200	6 200
Accumulated depreciation 31.12	- 1 016	- 1 016
Book value 31.12	5 183	5 183
Depreciation 2020	1 016	1 016
Depreciation method	Linear	
Economic useful life	5 years	

The additions are related to a new app for the Pro segment. Pro was established as a stand-alone business unit in 2Q 2019. The production of the new app has generated costs in second half of 2019 and throughout entire 2020. The work was conducted by an external consultancy. The app was completed in 2020, and depreciation started as a result in 2020. Expected future profit from the project surpasses total recognized expenses on the balance sheet.

Group (NOK 1 000)	Software and systems	Research and development	Goodwill	Total
Acquisition cost 01.01	3 672			3 672
Additions	2 528	1 469	39 029	43 025
Disposals				
Acquisition cost 31.12	6 200	1 469	39 029	46 697
Accumulated depreciation 31.12	- 1 016		- 2 602	- 3 618
Book value 31.12	5 183	1 469	36 427	43 079
Depreciation 2020	1 016		2 602	3 618
Depreciation method	Linear	Linear	Linear	
Economic useful life	5 years	5 years	5 years	

Goodwill comes from the acquisition of Airtight AS, and further consolidation of the company into Airthings group, with control date August 31, 2020 after the acquisition cost was assigned to the identifiable assets. Goodwill is a residual and represents an expectation on future earnings, and is depreciated over five years.

In 2020, the parent company expensed NOK46.8m on R&D, net NOK42.1m after cost reduction of NOK4.8m due to SkatteFUNN. In 2019, total R&D expense amounted to NOK34.1m, net NOK29.1m after SkatteFUNN of NOK5.0m.

Note 17 - Specification of financial expenses

	Parent		Group	
Financial expenses (NOK 1 000)	**2020**	**2019**	**2020**	**2019**
Loss on foregn exchange	19 949	4 303	19 949	4 303
Profit on foregn exchange	- 16 042	- 4 019	- 16 037	- 4 125
Total financial expenses (net)	3 907	283	3 911	178

Note 18 - Provisions and other short-term debt

Financial expenses (NOK 1 000)	Parent		Group	
	2020	2019	2020	2019
Loan Innovation Norway	9 000		9 000	
Wages and holiday pay (included tax)	10 854	7 736	11 916	7 186
Other provisions	982	3 982	1 741	4 078
Accrued revenue	3 601	639	4 978	1 546
Total	24 437	12 357	27 634	12 810

Note 19 - Business Combinations

Business combinations in 2020

On August 21, 2020, Airthings acquired 100% of the shares in the Norwegian proptech company Airtight AS for a total consideration of NOK45m. Net, the settlement was made through 72% and 28% shares in Airthings ASA and cash respectively. Below is the detailed settlement split.

Considerations (NOK 1 000)	
Cash	12 758
Shares in Airthings ASA	32 244
Consideration transferred	45 002

As the majority of the acquired value lies in intagible assets, Goodwill makes up the main part of the transferred value. The following tables summarise the consideration transferred and the amounts for assets and liabilities recognized after the business combinations.

Amounts for assets and liablities recognized (NOK 1 000)	
Projectcost accrued in 2020	4 507
Property, plant and equipment	285
Other current assets	3 106
Current liablities	1 925
Total identifiable net assets	5 973
Goodwill	39 029
Total	45 002

Amount allocated as goodwill is based on a preliminary PPA. Full PPA is expected to be completed by end of 2Q, 2021. Group revenue with full-year of Airtight included is NOK146.0m and NOK215.8m for 2019 and 2020, respectively.

Airtight AS was consolidated into the Group at the time of control, which was 21 August 2020. The investment was booked according to the cost method.

Airtight has developed a patented technology to reduce energy waste from commercial buildings. In addition, the system significantly improves indoor comfort through eliminating the draft, resulting in mores table indoor temperatures. Airtight received in 2018 a grant from EU in the Horizon 2020 program which is extended to July 2021. The technology has been through a pilot phase and the company had its first paying customer in March 2020. The Airtight solution is well on its way to being fully integrated intothe Airthings ecosystem and the first Airthings customer contract with the Airtight system was signed in Q4 2020.

Note 20 - Financial Market Risk

Risk management is a continuous process and an integrated part of the business. When operating across multiple markets, Airthings is exposed to a range of risks that may affect its business. Some key risk areas are discussed below.

Interest rate

Airthings borrowing were linked to NIBOR and as a result, the company was exposed to interest rate fluctuations. As all borrowings were repaid in January 2021, the company does no longer have any interest risk.

Liquidity

Management of liquidity risk is accorded high priority. Due to the private placement completed in 4Q20, the company has significant liquid assets and as such the liquidity risk is deemed to be low.

Credit

Airthings has close connection with its customers and as such the Group has low losses on receivables. However, the increased operations of the Company outside the US and home market exposes Airthings to different credit risk environments. The Board of Directors deems credit risk to be at an acceptable level.

Foreign currency

The company is exposed to currency fluctuations due to the international nature of its operations. Most of the revenue and cost of goods sold are in the same currency, limiting the exposure. Currently, there is no currency hedging.

Note 21 - Subsequent events

Referring to Note 13, Airtight AS filed an amendment in March 2021 to change lead beneficiary from Airtight AS to Airthings ASA. This is done in order to secure project finalization.

On March 11, 2021, Airthings released a new product - View Plus - to the market. Pre-orders started the same day and first shipments are expected in June 2021.

Note 22 - Alternative Performance Measures (APMs)

The following terms are used by the Group in the definition of APMs in this Report:

Annual recurring revenue (ARR): Annualized sales from all active subscriptions, licenses and service contracts within AfB and Pro.

EBITDA: Profit/(loss) for the period before net financial items, income tax expense, depreciation and amortization.

Note 23 - Impact of Covid-19

Early 2020, the global pandemic situation arose from the outbreak of the SARS-CoV-2 virus (Covid-19). This pandemic situation represents a challenge to the global economy with no historic precedent and has thus created a significant uncertainty on future economic outlook globally. At the date of this report, all Airthings employees are safe and remain productive. Airthings has taken measures to protect employees and support the ongoing efforts to contain the Covid-19 pandemic in line with local and global health authorities, and the transition to remote work has so far been seamless for our employees, customers, and business partners. In terms of business impact, Airthings has so far seen limited impact as the consumer demand for our products have in some cases increased due to elevated air quality awareness, while in other instances Covid-19 has slowed retail store roll-out and limited access to buildings for our B2B segment. Going forward, the long-term impact will depend on the overall development of the pandemic itself and the public measures taken to contain the spread of the virus, which in some scenarios could impact Airthings through lower growth rates, increasing credit risk and challenges in recruiting and onboarding new staff. The board continues to monitor the situation carefully to ensure appropriate actions are taken as the situation continues to unfold during 2021.

BDO AS
Munkedamsveien 45
P.O Box 1704 Vika
N-0121 Oslo

Independent Auditor's Report

To the General Meeting in Airthings ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Airthings ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements are prepared in accordance with the law and regulations. • The accompanying financial statements give a true and fair view of the financial position of Airthings ASA as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group Airthings ASA as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements

(ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 March 2021
BDO AS

Børre Skisland
State Authorised Public Accountant


AIRTHINGS
Breathe better. Live better.

Airthings AS

Konsern

Org.nr. 993 092 045, 0167 Oslo

STYRETS ÅRSBERETNING FOR 2019

Virksomhetens art

Airthings er et selskap innen utvikling, markedsføring, og salg av produkter og systemer for måling av innendørs luftkvalitet og radon. Selskapets hovedkontor er lokalisert i Oslo Selskapets mål er å være verdensledende innen produkter og løsninger for innendørs luftkvalitet og radonmåling. Selskapet selger til det kommersielle markedet, profesjonelle markedet, og til konsumentmarkedet.

Airthings AS har et heleid datterselskap i USA, Airthings America INC. Airthings America INC er et salgskontor og har tre ansatte per 31/12-2019.

Rettvisende oversikt av virksomheten

Airthings konsern hadde et bra 2019 med 144,28 millioner kroner i driftsinntekter og 46% vekst i omsetning fra 2018. Det var et negativt ordinært årsresultat før skatt på -13.19 millioner kroner (-9.1%). Selskapet solgte i 2019 flere hovedprodukter i de ulike markedene. Corentium Home, Airthings Wave, Wave Mini og Wave Plus til konsumenter, og Corentium PLUS og Corentium PRO til proffmarkedet. Airthings nye satsning til kommersielle bygg med løsninger for kontorbygg, kommuner, og skoler (Healthy Building Solution) er i rask vekst, men fortsatt en liten del av omsetning i 2019.

>90% av selskapets salg er eksport, og hovedsakelig til USA, Canada, og Europa.

Egenkapitalandelen for konsern var 68,0 % pr 31.12.19 mot 67,0 % per 31.12.2018. Selskapet og konsernet hadde negativ kontantstrøm fra operasjonelle aktiviteter i 2019. Det ble gjennomført en emisjon i mars 2019 som tilførte 54,7 MNOK i ny egenkapital, og sommeren 2019 ble det inngått avtale med DNB ASA om vekstlån på 10 MNOK, dette ble utbetalt august 2019.

Underskuddet i 2019 skyldes stor satsning på FoU, som resultatføres i regnskapet, samt salg og markedsaktiviteter for Healthy Building Solution.

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat. Det er heller ikke inntruffet forhold etter regnskapsårets slutt som har betydning for det framlagte årsregnskapet.

Sentrale risikoer og usikkerhetsfaktorer

Store deler av inntektene til selskapet er fra konsument elektronikk markedet. Dette markedet har tradisjonelt vært gjenstand for betydelige konjunktursvingninger og konkurranse. Det kan føre til forholdsvis store svingninger i resultatet over tid. Styret mener likevel at teknologiforspranget og markedspotensialet fortsatt er stort, slik at videre sterk vekst er forventet. I tillegg satser selskapet på å vokse sterkere i bedriftsmarkedet de neste årene.

Finansiell risiko

Som følge av at selskapet har mye eksport, er utviklingen i valutamarkedene viktige. En eventuell styrkelse av norske kroner mot USD og euro vil være uheldig, fordi en vesentlig del av inntektene er betalt i disse valutaene.

Vareforbruket er i betydelig grad kjøpt i USD og euro, som demper noe av svingningene i resultatet ved valutasvingninger.

Kredittrisikoen fra kunder anses som begrenset. De største kundene er store solide multinasjonale selskaper. De fleste mindre kunder betaler med kredittkort før varene sendes.

Redegjørelse for foretakets utsikter

Styret ser positivt på utsiktene for selskapet og forventer fortsatt sterk vekst i 2020. Strategien til selskapet er å bli en ledende leverandør av radon- og luftkvalitetsovervåking for konsumenter, for profesjonelle og for bedriftsmarkedet. Dette er et marked som har forventet langsiktig og sterk vekst.

Forsknings- og utviklingsaktiviteter

Store deler av driftskostnadene i 2019 (38.5MNOK) gikk til forskning og utvikling av nye produkter og tjenester for fremtidig vekst. FoU aktivitetene er forventet å øke betydelig i 2020 og de neste årene for å oppnå en bredere produktportefølje og for å tilby gode tjenester.

Fortsatt drift

Forutsetningen om fortsatt drift er til stede, og årsregnskapet for 2019 er satt opp under denne forutsetningen.

Arbeidsmiljø

Sykefraværet i selskapet var på totalt 123 arbeidsdager i 2019, noe som utgjorde 1.03 % av total arbeidstid. Styret anser arbeidsmiljøet i bedriften som tilfredsstillende og har derfor ikke iverksatt spesielle tiltak. Selskapet har ikke hatt skader eller ulykker på noe av sitt materiell eller personal.

Likestilling

Konsernet hadde pr utgangen av året 58 ansatte, 9 faste innleide på kontrakt, og 2 midlertidig ansatte. Av de fast ansatte er det 12 kvinner (21%).

Styret og selskapets ledelse er bevisst på de samfunnsmessige forventningene om tiltak for å fremme likestilling i virksomheten og styret. Det er for øyeblikket ikke iverksatt konkrete tiltak for å fremme dette arbeidet, men styrets målsetting er naturligvis å innfri samfunnets forventninger på sikt.

Det ytre miljø

Etter styrets oppfatning påvirker selskapets virksomhet i svært begrenset grad det ytre miljø. Selskapet har i 2019 redusert bruk av plast til innpakning, og ser på flere muligheter til å ytterligere redusere bruk av plast. Selskapet har som mål å bli klimanøytralt.

Oslo, 2 Mars 2020

Geir Førre Styrets leder	Eirik Næss-Ulseth Styremedlem	Aksel Lund Svindal Styremedlem
Bjørn M. Sundal Styremedlem	John Helge Fjellheim Styremedlem	Alf Egil Bogen Styremedlem

Årsregnskap 2019
Airthings AS konsern

Resultatregnskap - mor/konsern

AIRTHINGS AS

Morselskap 2019	Morselskap 2018		Note	Konsern 2019	Konsern 2018
		Driftsinntekter og driftskostnader			
139 426 196	96 812 270	Salgsinntekt	9, 11	139 472 088	94 758 572
4 809 003	3 801 000	Annen driftsinntekt	12	4 809 003	3 801 000
144 235 199	100 613 270	Sum driftsinntekter		144 281 091	98 559 572
38 902 368	28 469 239	Varekostnad	9	39 201 633	27 294 784
42 521 934	27 484 874	Lønnskostnad	1	47 978 504	30 053 317
617 477	376 546	Avskrivning av driftsmidler og immaterielle eiende	4	693 956	413 185
74 616 784	38 851 049	Annen driftskostnad	1, 9, 13	68 805 369	37 364 355
156 658 563	95 181 708	Sum driftskostnader		156 679 462	95 125 641
-12 423 365	5 431 562	Driftsresultat		-12 398 370	3 433 931
		Finansinntekter og finanskostnader			
295 536	157 912	Renteinntekt fra foretak i samme konsern	9	0	0
353 391	72 940	Annen renteinntekt		354 497	74 079
4 019 050	3 239 521	Annen finansinntekt		4 019 050	3 239 521
958 832	7 395	Annen rentekostnad		963 644	593
4 302 511	2 681 474	Annen finanskostnad		4 197 035	2 681 474
-593 367	781 503	Resultat av finansposter		-787 132	631 533
-13 016 731	6 213 065	Ordinært resultat før skattekostnad		-13 185 502	4 065 464
-3 961 054	421 974	Skattekostnad på ordinært resultat	2, 3	-3 991 728	-54 116
-9 055 677	5 791 091	Årsresultat		-9 193 774	4 119 580
		Overføringer			
0	5 791 091	Avsatt til annen egenkapital	8	0	4 119 580
9 055 677	0	Overført fra annen egenkapital		9 193 774	0
-9 055 677	5 791 091	Sum disponert	8	-9 193 774	4 119 580

Balanse - mor/konsern

AIRTHINGS AS

Morselskap 2019	Morselskap 2018		Note	Konsern 2019	Konsern 2018
		Eiendeler			
		Anleggsmidler			
		Immaterielle eiendeler			
3 671 960	0	Egenutviklet programvare og systemer	15	3 671 960	0
3 900 476	0	Utsatt skattefordel	2, 3	4 477 159	460 512
7 572 436	0	Sum immaterielle eiendeler		8 149 119	460 512
		Varige driftsmidler			
0	0	Varer til utleie	4	349 260	269 731
1 914 730	2 145 939	Driftsløsøre, inventar o.a. utstyr	4, 14	1 947 873	2 145 939
1 914 730	2 145 939	Sum varige driftsmidler		2 297 133	2 415 669
6 200	6 200	Investeringer i datterselskap	10	0	0
6 834 492	5 877 046	Lån til foretak i samme konsern	9, 14	0	0
326 502	171 042	Andre langsiktige fordringer		352 722	171 042
7 167 194	6 054 288	Sum finansielle anleggsmidler		352 722	171 042
16 654 360	8 200 227	Sum anleggsmidler		10 798 974	3 047 223
		Omløpsmidler			
		Varer			
28 043 901	14 172 234	Lager av varer og annen beholdning	5, 14	29 028 878	14 787 085
28 043 901	14 172 234	Sum varer		29 028 878	14 787 085
		Fordringer			
38 805 870	28 185 316	Kundefordringer	14	40 736 182	30 847 133
14 163 743	12 351 900	Andre kortsiktige fordringer	12	14 169 128	12 355 873
52 969 613	40 537 216	Sum fordringer		54 905 310	43 203 006
		Bankinnskudd, kontanter o.l			
47 130 297	11 436 786	Bankinnskudd, kontanter o.l.	6	49 076 219	12 458 832
47 130 297	11 436 786	Sum bankinnskudd, kontanter o.l		49 076 219	12 458 832
128 143 811	66 146 237	Sum omløpsmidler		133 010 406	70 448 923
144 798 171	74 346 464	Sum eiendeler		143 809 380	73 496 146

Balanse - mor/konsern

AIRTHINGS AS

Morselskap 2019	Morselskap 2018		Note	Konsern 2019	Konsern 2018
		Egenkapital og gjeld			
		Innskutt egenkapital			
567 729	486 165	Aksjekapital	7	567 729	486 165
-2 614	-6 852	Egne aksjer	8	-2 614	-6 852
91 668 130	37 020 250	Overkurs	8	91 668 130	37 020 250
92 233 245	**37 499 563**	**Sum innskutt egenkapital**	8	**92 233 245**	**37 499 563**
		Opptjent egenkapital			
6 975 451	13 359 026	Annen egenkapital	8	5 273 461	11 747 256
6 975 451	**13 359 026**	**Sum opptjent egenkapital**	8	**5 273 461**	**11 747 256**
99 208 696	**50 858 589**	**Sum egenkapital**	8	**97 506 706**	**49 246 819**
		Gjeld			
		Avsetning for forpliktelser			
0	60 578	Utsatt skatt	2, 3	0	0
0	**60 578**	**Sum avsetning for forpliktelser**		**0**	**0**
		Annen langsiktig gjeld			
8 888 892	0	Gjeld til kredittinstitusjoner	14	8 888 892	0
9 000 000	0	Øvrig langsiktig gjeld	14	9 000 000	0
17 888 892	**0**	**Sum annen langsiktig gjeld**		**17 888 892**	**0**
		Kortsiktig gjeld			
11 927 325	14 887 823	Leverandørgjeld		12 149 000	15 502 231
0	372 003	Betalbar skatt	2, 3	38 780	417 003
3 416 218	1 781 744	Skyldig offentlige avgifter		3 416 218	1 781 744
12 357 040	6 385 728	Annen kortsiktig gjeld		12 809 785	6 548 350
27 700 583	**23 427 298**	**Sum kortsiktig gjeld**		**28 413 782**	**24 249 327**
45 589 475	**23 487 876**	**Sum gjeld**		**46 302 674**	**24 249 327**
144 798 171	**74 346 464**	**Sum egenkapital og gjeld**		**143 809 380**	**73 496 146**

Oslo, 02.03.2020
Styret i AIRTHINGS AS

Øyvind Birkenes
daglig leder

Geir Førre
styreleder

Alf Egil Bøgen
styremedlem

Eirik Næss-Ulseth
styremedlem

John Helge Fjellheim
styremedlem

Bjørn Magne Sundal
styremedlem

Aksel Lund Svindal
styremedlem

KONTANTSTRØMOPPSTILLING - DEN INDIREKTE MODELL

Airthings AS

	2019	2018
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	-13 016 731	6 213 065
Periodens betalte skatt	0	0
Avskrivninger	617 477	376 546
Endring i varelager	-13 871 667	-6 116 629
Endring i kundefordringer	-10 620 554	-17 030 949
Endring i leverandørgjeld	-2 960 507	7 738 584
Endring i andre tidsavgrensningsposter	5 421 951	-3 914 147
Netto kontantstrøm fra operasjonelle aktiviteter	**-34 430 031**	**-12 733 530**
Kontantstrømmer fra investeringsaktiviteter		
Utbetalinger ved kjøp av varige driftsmidler og immaterielle eiendeler	-4 058 229	-1 564 242
Utbetalinger ved kjøp av aksjer	0	0
Utbetalinger ved økning langsiktige fordringer	-1 112 906	-5 118 181
Netto kontantstrøm fra investeringsaktiviteter	**-5 171 135**	**-6 682 423**
Kontantstrømmer fra finansieringsaktiviteter		
Innbetalinger ved opptak av langsiktig gjeld	17 888 892	0
Innbetalt egenkapital (emisjoner)	54 729 444	114 031
Kjøp/salg av egne aksjer	2 676 341	-4 487 632
Netto kontantstrøm fra finansieringsaktiviteter	**75 294 677**	**-4 373 601**
Netto endring i kontanter og kontantekvivalenter	35 693 511	-23 789 554
Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	11 436 786	35 226 340
Beholdning av kontanter og kontantekvivalenter ved periodens slutt	**47 130 297**	**11 436 786**

KONTANTSTRØMOPPSTILLING - DEN INDIREKTE MODELL

Airthings AS konsern

	2019	2018
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	-13 185 502	4 065 464
Periodens betalte skatt	0	0
Avskrivninger	693 956	413 185
Endring i varelager	-14 241 793	-6 731 480
Endring i kundefordringer	-9 889 049	-19 692 766
Endring i leverandørgjeld	-3 353 231	8 197 795
Endring i andre tidsavgrensningsposter	5 727 476	-3 844 523
Netto kontantstrøm fra operasjonelle aktiviteter	**-34 248 143**	**-17 592 325**
Kontantstrømmer fra investeringsaktiviteter		
Utbetalinger ved kjøp av varige driftsmidler	-4 247 467	-1 717 316
Utbetalinger ved kjøp av aksjer	0	0
Utbetalinger/innbetalinger ved endring langsiktige fordringer	-181 680	181 449
Netto kontantstrøm fra investeringsaktiviteter	**-4 429 147**	**-1 535 867**
Kontantstrømmer fra finansieringsaktiviteter		
Innbetaling ved opptak av ny langsiktig gjeld	17 888 892	0
Innbetalt egenkapital (emisjoner)	54 729 444	114 031
Kjøp/salg egne aksjer	2 676 341	-4 487 632
Netto kontantstrøm fra finansieringsaktiviteter	**75 294 677**	**-4 373 601**
Netto endring i kontanter og kontantekvivalenter	36 617 387	-23 501 793
Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	12 458 832	35 960 625
Beholdning av kontanter og kontantekvivalenter ved periodens slutt	**49 076 219**	**12 458 832**

Noter til regnskapet 2019

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk for øvrige foretak. Forutsetningen om fortsatt drift er lagt til grunn ved utarbeidelsen.

Bruk av estimater
Utarbeidelse av regnskap i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Salgsinntekter
Inntekter ved salg av varer og tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift og kontantrabatter. Kostnader til marketing, frakt/handling, kampanjer etc, som blir dekket av kunden og fakturert Airthings, føres som en annen driftskostnad.

Salg av varer inntektsføres når risiko og kontroll i all hovedsak er overført kjøperen.
Med risiko menes eiendelens gevinst og tapspotensiale mens kontroll defineres som beslutnings og råderett. Erfaringstall anvendes for å estimere og regnskapsføre avsetninger for kvantumsrabatter og retur på salgstidspunktet.

Salg av tjenester inntektsføres etter hvert som de er levert.

Klassifisering og vurdering av balanseposter
Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Anleggsmidler er vurdert til anskaffelseskost. Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og antatt virkelig verdi.
Fordringer klassifiseres som omløpsmidler hvis de skal tilbakebetales i løpet av ett år. For gjeld er analoge kriterier lagt til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.
Enkelte poster er vurdert etter andre regler. Postene det gjelder vil være blant de postene som omhandles nedenfor.

Immaterielle eiendeler
Utgifter til egen utvikling av immaterielle eiendeler kostnadsføres løpende.
Utgifter til andre immaterielle eiendeler balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

Varige driftsmidler
Varige driftsmidler balanseføres og avskrives lineært til restverdi over driftsmidlenes forventede utnyttbare levetid. Ved endring i avskrivningsplan fordeles virkningen over gjenværende avskrivningstid ("knekkpunktmetoden"). Vedlikehold av driftsmidler kostnadsføres løpende. Påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet.
Skillet mellom vedlikehold og påkostning/forbedring regnes i forhold til driftsmidlets stand ved kjøp av driftsmidlet. Tomter avskrives ikke.

Leide (leasede) driftsmidler balanseføres som driftsmidler hvis leiekontrakten anses som finansiell. Utgifter til leie av øvrige driftsmidler kostnadsføres som operasjonell. Forskuddsbetalinger balanseføres som forskuddsbetalt kostnad, og fordeles over leieperioden.

Nedskrivning av anleggsmidler
Ved indikasjon på at balanseført verdi av et anleggsmiddel er høyere enn virkelig verdi, foretas det test for verdifall. Testen foretas for det laveste nivå av anleggsmidler som har selvstendige kontantstrømmer. Hvis balanseført verdi er høyere enn både salgsverdi og gjenvinnbart beløp, foretas det nedskrivning til det høyeste av salgsverdi og gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og bruksverdi. Bruksverdi er nåverdi av fremtidige kontantstrømmer knyttet til eiendelen.

Noter til regnskapet 2019

Tidligere nedskrivninger, med unntak for nedskrivning av goodwill, reverseres hvis grunnlaget for nedskrivningen ikke lenger er til stede.

Varer
Lager av innkjøpte varer er vurdert til det laveste av anskaffelseskost etter FIFO-prinsippet, og netto salgsverdi. Egentilvirkede ferdigvarer og varer under tilvirkning vurderes til variabel tilvirkningskost.

Fordringer
Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning for tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt beregnes med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Utsatt skatt på merverdier i forbindelse med oppkjøp av datterselskap blir ikke utlignet.

Oppføring av utsatt skattefordel på netto skattereduserende forskjeller som ikke er utlignet og underskudd til fremføring, er begrunnet med antatt fremtidig inntjening. Utsatt skattefordel som kan balanseføres og utsatt skatt er oppført netto i balansen.

Valuta
Fordringer og gjeld i utenlandsk valuta vurderes etter kursen ved regnskapsårets slutt. Kursgevinster og kurstap knyttet til varesalg og varekjøp i utenlandsk valuta føres som salgsinntekter og varekostnad.

Garantier, servicearbeid og reklamasjoner
Ikke opptjent inntekt som er knyttet til garanti- og servicearbeid for avsluttede prosjekter/salg vurderes til antatt kostnad for slikt arbeid. Estimatet beregnes med utgangspunkt i historiske tall for servicearbeid og garantireparasjoner. Beløpet balanseføres under annen kortsiktig gjeld og inntektsføres lineært over garanti- og serviceperioden.

Kontantstrømoppstilling
Kontantstrømoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd and andre kortsiktige, likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med gjenværende løpetid mindre enn tre måneder fra anskaffelsesdato.

Konsolideringsprinsipper
Konsernregnskapet omfatter Airthings AS, med datterselskapet Airthings America INC, som eies 100 %. Konsernregnskapet er utarbeidet etter ensartede prinsipper, ved at datterselskapet følger de samme regnskapsprinsipper som morselskapet. Konsernregnskapet er utarbeidet som om konsernet var en økonomisk enhet. Alle vesentlige transaksjoner og mellomværende mellom selskaper i konsernet er eliminert.

Datterselskapet benytter USD som regnskapsvaluta. Balansepostene er omregnet til kurs pr. 31.12., mens resultatpostene er omregnet til gjennomsnittskurs for året.

Noter til regnskapet 2019

Note 1 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte m

Lønnskostnader morselskap	**2019**	**2018**
Lønninger	37 618 079	24 770 363
Arbeidsgiveravgift	5 559 546	3 883 217
Pensjonskostnader	1 414 910	939 782
Andre ytelser	1 560 502	1 257 043
Skattefunn tilskudd	-3 631 104	-3 365 531
Sum	**42 521 934**	**27 484 874**
Gjennomsnittlig antall årsverk sysselsatt i regnskapsåret	44	30

Lønnskostnader konsern	**2019**	**2018**
Lønninger	42 745 698	26 910 301
Arbeidsgiveravgift	5 888 498	4 000 920
Pensjonskostnader	1 414 910	939 782
Andre ytelser	1 560 502	1 567 844
Skattefunn tilskudd	-3 631 104	-3 365 531
Sum	**47 978 504**	**30 053 317**
Gjennomsnittlig antall årsverk sysselsatt i regnskapsåret	47	32

Ytelser til ledende personer	**Daglig leder**	**Styret**
Lønn	2 025 265	0
Pensjonsutgifter	53 286	0
Styrehonorar	0	0
Annen godtgjørelse	10 375	0
Sum	**2 088 926**	**0**

Det er ikke gitt lån/sikkerhetsstillelse til daglig leder, styrets leder eller andre nærstående parter.
Daglig leder har en prestasjonsbasert bonusavtale. Kriterier for bonusoppnåelse er knyttet til inntekter og driftsresultat i konsernet. Det er utbetalt bonus med kr 395 000 i 2019, dette er inkludert i "Lønn" ovenfor.
Daglig leder har opsjonsrettigheter. Daglig leder har ikke utøvd opsjoner i 2019

OTP
Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.
Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

Revisor
Kostnadsført honorar til revisor for 2019 utgjør kr 268 000,- eksl.mva.

Lovpålagt revisjon	197 000
Skatterådgivning og bistand	71 000
Sum honorar til revisor	**268 000**

Noter til regnskapet 2019

Note 2 Skatt

Årets skattekostnad	**2019**	**2018**
Resultatført skatt på ordinært resultat:		
Betalbar skatt	0	372 003
Endring i utsatt skatt	-3 961 054	49 971
Skattekostnad ordinært resultat	**-3 961 054**	**421 974**
Skattepliktig inntekt:		
Ordinært resultat før skatt	-13 016 731	6 213 065
Permanente forskjeller	-4 988 058	-4 366 427
Endring i midlertidige forskjeller	82 491	-229 232
Skattepliktig inntekt	**-17 922 299**	**1 617 406**
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	0	372 003
Sum betalbar skatt i balansen	**0**	**372 003**

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2019	**2018**	**Endring**
Varige driftsmidler	192 863	322 609	129 747
Fordringer	0	-47 256	-47 256
Sum	**192 863**	**275 353**	**82 491**
Akkumulert fremførbart underskudd	-17 922 299	0	17 922 299
Grunnlag for utsatt skattefordel / skatt	**-17 729 436**	**275 354**	**18 004 789**
Utsatt skattefordel / skatt (22 %)	**-3 900 476**	**60 578**	**3 961 054**
Effekt av endring av skattesats		-2 754	

Noter til regnskapet 2019

Note 3 Skatt konsern

Skattekostnad	**2019**	**2018**
Betalbar skatt Airthings AS	0	372 003
Endring utsatt skatt Airthings AS	-3 961 054	49 971
Betalbar skatt Airthings INC	24 919	45 000
Endring utsatt skatt på elimineringer av internfortjeneste	-55 593	-521 090
Sum	**-3 991 728**	**-54 116**

Midlertidige forskjeller	**2019**	**2018**
Airthings AS	-17 729 436	275 354
Airthings INC	0	0
Eliminerte internfortjenester	-2 621 289	-2 368 592
Sum grunnlag utsatt skatt	**-20 350 725**	**-2 093 238**
Utsatt skattefordel / utsatt skatteforpliktelse (22 %)	4 477 159	460 512

Betalbar skatt i balansen	**2019**	**2018**
Airthings AS	0	372 003
Airthings INC	38 780	45 000
Sum	**38 780**	**417 003**

Noter til regnskapet 2019

Note 4 Varige driftsmidler

Morselskap	Driftsløsøre, inventar o.a utstyr	Totalt
Anskaffelseskost 01.01	2 846 853	**2 846 853**
Tilgang	386 269	**386 269**
Avgang	0	**0**
Anskaffelseskost 31.12	**3 233 122**	**3 233 122**
Akk. av-/nedskrivninger 31.12	-1 318 392	-1 318 392
Balanseført verdi 31.12	**1 914 730**	**1 914 730**
Årets avskrivninger	617 477	**617 477**
Avskrivningssats	20 %	
Avskrivningsplan	Lineær	
Økonomisk levetid	5 år	

Konsern	Driftsløsøre, inventar o.a utstyr	Varer til utleie	Totalt
Anskaffelseskost 01.01	2 846 853	306 370	**3 153 223**
Tilgang	422 433	152 987	**575 420**
Avgang	0	0	**0**
Anskaffelseskost 31.12	**3 269 286**	**459 357**	**3 728 643**
Akk. av-/nedskrivninger 31.12	-1 321 413	-110 097	-1 431 510
Balanseført verdi 31.12	**1 947 873**	**349 260**	**2 297 133**
Årets avskrivninger	620 498	73 458	**693 956**
Avskrivningssats	20 %	20 %	
Avskrivningsplan	Lineær	Lineær	
Økonomisk levetid	5 år	5 år	

Noter til regnskapet 2019

Note 5 Varer

Morselskap	2019	2018
Innkjøpte handelsvarer	28 043 901	14 172 234
Sum	**28 043 901**	**14 172 234**

Varebeholdning vurdert til anskaffelseskost	28 043 901	14 172 234
Varebeholdning vurdert til virkelig verdi	28 043 901	14 172 234
Ukuransnedskrivning	**0**	**0**

Selskapets varebeholdning er vurdert til innkjøpspris. Det er ikke foretatt nedskrivning for ukurans.

Konsern	2019	2018
Innkjøpte handelsvarer	29 028 878	14 787 085
Sum	**29 028 878**	**14 787 085**

Varebeholdning vurdert til anskaffelseskost	29 028 878	14 787 085
Varebeholdning vurdert til virkelig verdi	29 028 878	14 787 085
Ukuransnedskrivning	**0**	**0**

Note 6 Bankinnskudd

Morselskap/konsern	2019	2018
Bundne skattetrekksmidler	2 083 835	1 127 053
Andre bundne midler	0	0

Noter til regnskapet 2019

Note 7 Antall aksjer, aksjeeiere m

Aksjekapital	Antall	Pålydende	Balanseført
Ordinære aksjer	567 729	1	567 729

Aksjekapitalen eies av følgende aksjonærer:

Aksjonærer:		Antall aksjer	Eierandel
Firda AS	Styrets leder Geir Førre	146 876	25,84 %
Rabakken Invest AS	Styremedlem John Helge Fjellheim	49 140	8,66 %
Atlas Invest AS	Styremedlem Alf Egil Bogen	41 600	7,33 %
Halvor Wøien		30 061	5,29 %
Erlend Bolle		30 000	5,28 %
Bjørn Magne Sundal	Styremedlem	30 000	5,28 %
Longfellow Invest AS	Daglig leder Øyvind Birkenes	29 685	5,23 %
Skilling Systemer AS	Styremedlem Eirik Næss-Ulseth	27 081	4,77 %
Øvrige aksjonærer		183 286	32,28 %
Sum		**567 729**	**100 %**

Selskapet har en aksjeklasse og alle aksjer har lik stemmerett.
Daglig leder Øyvind Birkenes eier i tillegg 1500 aksjer direkte.

Noter til regnskapet 2019

Note 8 Egenkapital

Morselskap	Aksjekapital	Egne aksjer	Overkurs	Annen egenkapital	Sum egenkapital
Pr. 01.01	486 165	-6 852	37 020 250	13 359 026	50 858 589
Kapitalforhøyelse	81 564		54 647 880		54 729 444
Salg av egne aksjer		4 238		2 672 103	2 676 341
Årets resultat				-9 055 677	-9 055 677
Pr 31.12	**567 729**	**-2 614**	**91 668 130**	**6 975 451**	**99 208 696**

Konsern	Aksjekapital	Egne aksjer	Overkurs	Annen egenkapital	Sum egenkapital
Pr. 01.01	486 165	-6 852	37 020 250	11 747 256	49 246 819
Kapitalforhøyelse	81 564		54 647 880		54 729 444
Salg av egne aksjer		4 238		2 672 103	2 676 341
Årets resultat				-9 193 774	-9 193 774
Valutakursdifferanser				47 846	47 846
Pr 31.12	**567 729**	**-2 614**	**91 668 130**	**5 273 431**	**97 506 676**

Note 9 Mellomværende og transaksjoner med selskap i samme konsern og nærstående

Fordringer med datterselskap Airthings INC	2019	2018
Langsiktige fordringer	6 834 492	5 877 046

Transaksjoner med datterselskap Airthings INC	2019	2018
Varesalg	17 031 171	16 261 660
Kjøp av tjenester og viderefakturerte kostnader	13 189 224	5 439 495
Renteinntekter	295 536	157 912

Transaksjoner med aksjonærer	2019	2018
Honorarer fra Rabakken Invest AS	1 296 351	1 547 775
Honorarer fra RN222 Inc	6 033 000	3 065 614
Varesalg til RN222 Inc	14 650 694	11 542 000
Honorarer fra Energy Control AS	1 171 252	0
Varesalg til Energy Control AS	116 149	0

Noter til regnskapet 2019

Note 10 Investering i datterselskap, tilknyttet selskap og felleskontrollert virksomhet

Investeringene i datterselskap, tilknyttet selskap og felleskontrollert virksomhet regnskapsføres etter kostmetoden.

Selskap	Forretnings-kontor	Eier-/stemmeandel	EK pr. 01.01	Årets resultat	EK pr. 31.12
Airthings America INC	USA	100 %	289 961	59 002	348 963

Note 11 Salgsinntekter

Morselskap

Per virksomhetsområde	2019	2018
Omsetning av handelsvarer (hardware)	139 426 196	96 812 270
Sum	**139 426 196**	**96 812 270**

Geografisk fordeling	2019	2018
Europa	32 196 261	23 373 129
Nord-Amerika	107 229 935	73 439 141
Sum	**139 426 196**	**96 812 270**

Konsern

Per virksomhetsområde	2019	2018
Omsetning av handelsvarer (hardware)	139 472 088	94 758 572
Sum	**139 472 088**	**94 758 572**

Geografisk fordeling	2019	2018
Europa	32 196 261	23 373 129
Nord-Amerika	107 275 827	71 385 443
Sum	**139 472 088**	**94 758 572**

Noter til regnskapet 2019

Note 12 Offentlige tilskudd

Airthings AS har fått tilsagn på Skattefunn fra Norsk Forskningsråd til et prosjekt. Tilskuddet er gitt for en periode på 3 år.

Fordringen på tilskudd er regnskapsført som en kortsiktig fordring i balansen med kr 5 000 000.

Ved direkte kostnadsføring av FoU-kostnadene så blir motposten til fordringen en kostnadsreduksjon.

Andre tilskudd ført som annen driftsinntekt	2019	2018
Norges Forskningsråd	1 309 003	1 701 000
Innovasjon Norge	3 500 000	2 100 000
Sum	**4 809 003**	**3 801 000**

Note 13 Leieavtaler

Årlig leie av ikke balanseførte driftsmidler

Leieobjekt	Avtaleperiode	Årets leie
Kontorlokaler	30.11.2026	2 223 513
Kontormaskiner	30.11.2022	8 112
Sum		**2 231 625**

Note 14 Fordringer, gjeld, pantstillelser og garantier m.v

	2019	2018
Fordringer med forfall senere enn ett år (mor)	6 834 492	5 877 046
Langsiktig gjeld med forfall senere enn fem år (mor og konsern)	9 000 000	0
Langsiktig gjeld sikret med pant (mor og konsern)	17 888 892	0

Balanseført verdi av pantsatte eiendeler	2019	2018
Driftsløsøre, inventar og utstyr	1 914 730	2 145 939
Lager av varer og annen beholdning	28 043 901	14 172 234
Kundefordringer	38 805 870	28 185 316
Sum	**66 849 771**	**42 357 550**

Pantstillers pålydende	2019	2018
Pant i varelager	19 000 000	9 000 000
Pant i driftsløsøre	19 000 000	9 000 000
Pant i kundefordringer	19 000 000	9 000 000
Sum	**57 000 000**	**27 000 000**

Noter til regnskapet 2019

Note 15 Immaterielle eiendeler

Morselskap og konsern	Egenutviklet programvare og systemer	Totalt
Anskaffelseskost 01.01	0	**0**
Tilgang	3 671 960	**3 671 960**
Avgang	0	**0**
Anskaffelseskost 31.12	**3 671 960**	**3 671 960**
Akk. av-/nedskrivninger 31.12	0	0
Balanseført verdi 31.12	**3 671 960**	**3 671 960**
Årets avskrivninger	0	**0**
Avskrivningssats	20 %	
Avskrivningsplan	Lineær	
Økonomisk levetid	5 år	

Aktiveringen gjelder kostnader til en ny app for PRO segmentet. PRO ble etablert som egen Business Unit fom Q2 2019, og arbeidet med den nye appen har generert kostnader i 2. halvår. Arbeidet ble gjort av et eksternt konsulentselskap. Appen ble ferdigstilt mot slutten av året, og avskrivning starter derfor ikke før i 2020.

BDO AS
Tærudgata 16, 2004 Lillestrøm
Postboks 134
N-2001 Lillestrøm

Uavhengig revisors beretning

Til generalforsamlingen i Airthings AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Airthings AS sitt årsregnskap.

Årsregnskapet består av:	Etter vår mening:
• Selskapsregnskapet, som består av balanse per 31. desember 2019, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og • Konsernregnskapet, som består av balanse per 31. desember 2019, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.	• Er årsregnskapet avgitt i samsvar med lov og forskrifter • Gir selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Airthings AS per 31. desember 2019 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge • Gir konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Airthings AS per 31. desember 2019 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon identifisert ovenfor med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi, på bakgrunn av arbeidet vi har utført, konkluderer med at disse andre opplysningene inneholder vesentlig feilinformasjon, er vi pålagt å uttale oss om dette. Vi har ingenting å rapportere i så henseende.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt drift er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

BDO AS

Anders Bjerke
registrert revisor
(elektronisk signert)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Anders Bjerke
Partner
På vegne av: BDO AS
Serienummer: 9578-5999-4-969713
IP: 77.16.xxx.xxx
2020-03-10 16:51:16Z

bank ID

APPENDIX D:

The Group's unaudited consolidated financial statements for the three-month period ended 31 March 2022


Do you know what's in the air you breathe?
What's your View?
AIRTHINGS
Report 1Q 2022
93 RADON
9 PM 2.5

Airthings at a glance

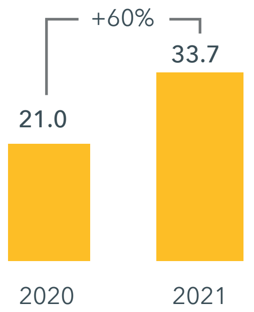
AIRTHINGS

A hardware-enabled software company solving real issues

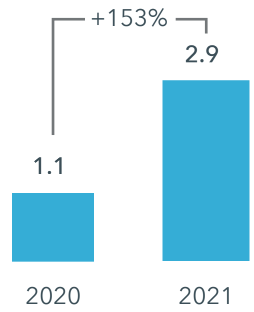
- Global leader in indoor air quality solutions
- Serving consumers, businesses, and professionals
- Empowering the world to breathe better

Exceptional growth

Revenues (USD million)

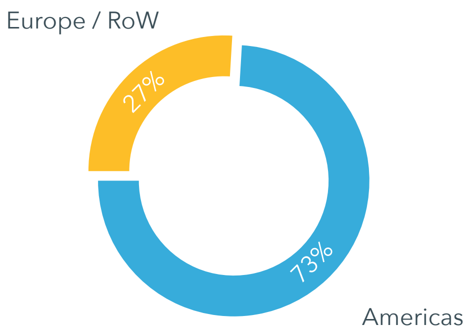


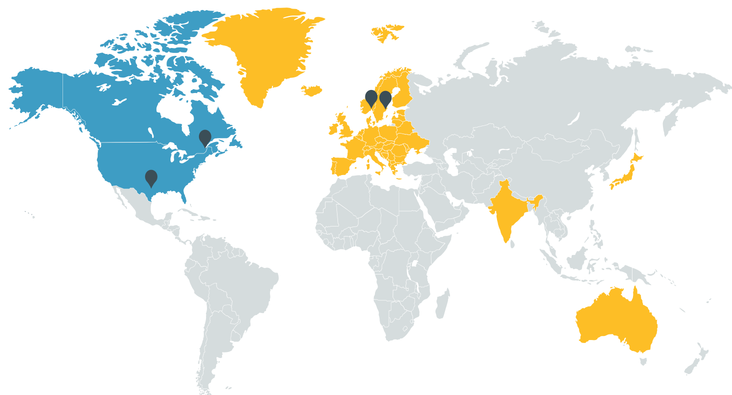
ARR (USD million)



Delivering elegant products and actionable insights

International and expanding presence





Key highlights

1

1Q sales revenue of

USD 9.1 million

up 41% YoY

2

1Q sales gross profit of

USD 5.3 million

gross profit margin of 59%

3

Total ARR reached

USD 3.1 million

at end of 1Q, up 87% YoY

4

First project won with

Market leading facility manager Sodexo

to Microsoft's headquarter in Paris

5

Shipped

4 000 devices to the Netherlands

following new government regulations
and a targeted school campaign with T-mobile

6

Airthings for Business

Available in Japan

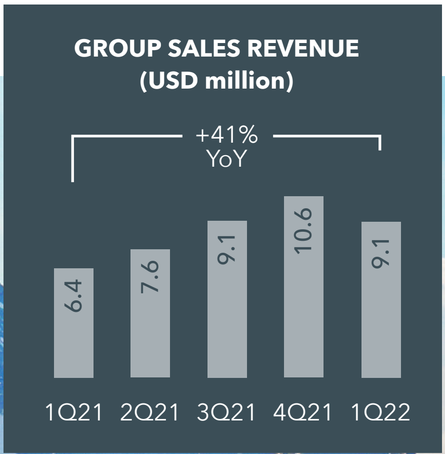
and first installments expected in 2Q22

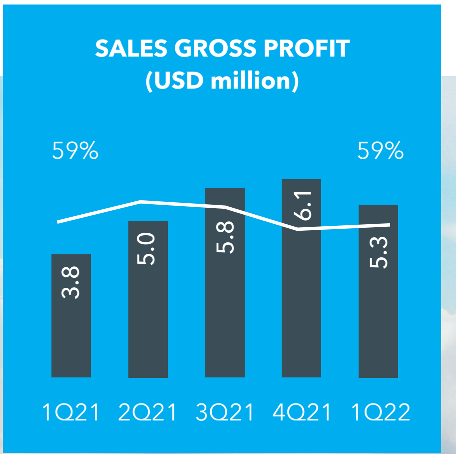
7

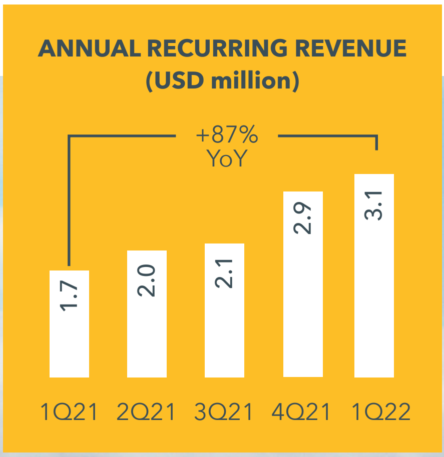
Reached

1.2M unique web visitors

in 1Q, signaling a continued
strengthening of the Airthings brand







Operational review

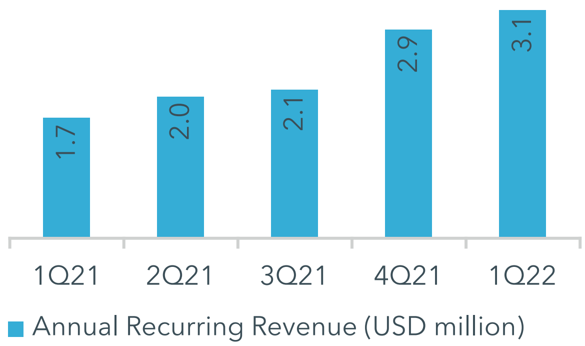
Revenue and margin development

Airthings recorded sales revenue of USD 9.1 million (NOK 80.2 million)[1] in 1Q22, representing year-on-year growth of 41%. This is within the guided window of NOK 80-90 million for the quarter despite adjusting revenue USD 0.5 million (NOK 4.2 million) downward due to IFRS conversion. The revenue growth in 1Q22 was mainly driven by the consumer and business segments which each delivered solid increases year-on-year. Total growth was somewhat offset by the Pro segment which fell short of expectations by approximately USD 0.4 million due to a slow home inspection market in the quarter. The footprint in the US is reinforced with a geographic revenue split for the quarter of 59% and 41% in the Americas and EMEA/RoW regions respectively. This despite a slower sales quarter in the US due to Airthings for Business sales team restructuring activities.

Gross Profit came in at USD 5.3 million, reflecting a gross profit margin (GPM) of 58.8%. This was down 0.7%-points year-on-year, but up 1.3%-points from 4Q21. The 1Q22 margin decrease since 1Q21 is primarily due to reduced margin in the consumer segment driven by changes in product and channel mix and increased component prices. As previously communicated, GPM can be expected to fluctuate across quarters as a function of these variables.

Annual recurring revenue (ARR)

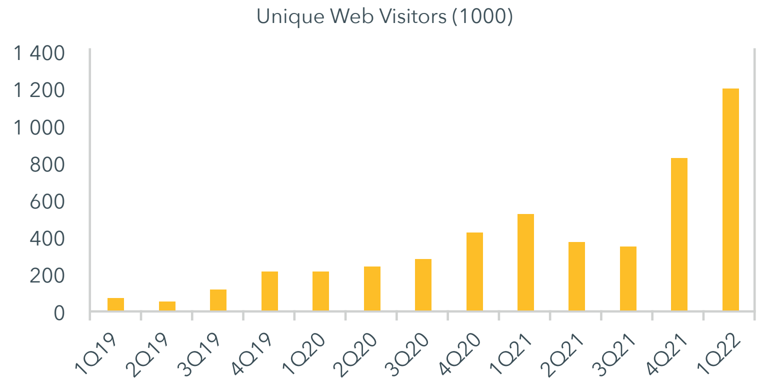
Annual Recurring Revenue (ARR) came in at USD 3.1 million in 1Q22, representing robust growth of 87% year-on-year. The growth primarily reflects the strong momentum in the Airthings for Business segment which is the key driver of ARR in the company. AfB revenue has seen a healthy growth of 101% year-on-year reaching USD 2.2 million in the quarter. Gross margin from ARR was >80% in 1Q22.



[1] NOK 84.4 million based on NGAAP

Brand awareness

Airthings has seen a strong increase in brand awareness in the quarter, as indicated by number of unique web visitors (UWV) to the website reaching 1.2 million in 1Q. This represents over doubling year-on-year. The increased brand awareness was enabled by participation in high exposure events and successful marketing campaigns throughout the quarter.



Airthings attended both the Consumer Electronics Show (CES) and the leading international HVAC trade show (AHR Expo) in Las Vegas, driving brand awareness on the global stage as well as traction to the product portfolio. The company continues to be the official air quality partner of the Meltwater Champions Chess Tour. In February, the Airthings Masters kicked off the 2022 tour, driving huge exposure for the Airthings brand worldwide. Airthings continues to integrate live air quality data for the world's top chess players into the broadcast, educating the world about the importance of good air quality for health, wellness, and cognitive ability. The tour generated over 9 billion potential media impressions with over 2,500 articles published by various global news sources, including CNN, the New York Times, BBC, The Times of India, and Al Jazeera to name a few.

A marketing campaign was launched in the Netherlands in cooperation with T-mobile following the introduction of new regulation from the Dutch Ministry of Education. The regulation, requiring CO2 monitoring in all schools nationwide, is estimated to necessitate approximately 115,000 monitors in classrooms in the Netherlands. The new regulation and campaign resulted in the sale of thousands of Airthings devices and represents the start of an anticipated global movement by authorities to place stricter regulations on indoor air quality, which in turn presents a significant opportunity for AfB.

Amazon 'Deal of the Day' was another successful campaign launched in the first quarter of 2022, driving the sales of over 9000 Corentium Home devices from Amazon, a testament to the current momentum and demand in one of the key sales channels for Consumer.

Outlook and guidance

Airthings is seeing strong momentum and delivered robust year-on-year revenue growth in 1Q22. The Consumer segment is experiencing continued demand for its products and Airthings for Business has achieved several recent wins and is well-positioned for long-term expansion and market penetration.

USD million	Revenue and ARR Guidance 2Q22
Revenue	8.0 - 9.0
ARR	3.3 - 3.7

The new partnership with Sodexo in France, the recent wins in the school segment in the Netherlands, and the certification of AfB in Japan is expected to begin materializing as revenue in 2Q22, showing strong momentum in Airthings' fastest growing segment. Management continues to see large upside in AfB with several opportunities in new and existing markets. The US team is currently being restructured which will increase operational efficiency and potential for expansion in the market. The restructuring efforts are focused on the AfB sales team and ensuring the proper set up and capacity is in place to drive growth in this largely untapped market. However, in the short-term this will represent a headwind to the AfB segment. No impacts of these efforts are expected for the Airthings for Consumer segment in the US. Pro remains uncertain with continued challenges in the home inspections market expected in the coming quarter.

Sales impacts from global component shortages and logistical challenges were reduced in 1Q22 compared to prior quarters, and Airthings has built up sufficient inventory to fulfill upcoming sales orders for the top-selling View series. The company is continuously monitoring and managing inventory to ensure adequate stock going forward as global supply developments remain uncertain. View Pollution and View Radon were launched and started to ship to customers around the world in the 1Q22, increasing the product portfolio and expanding the revenue potential going forward.

In total, this results in a sales revenue estimate of USD 8.0 - 9.0 million for 2Q22, with ARR of USD 3.3 - 3.7 million expected at the end of 2Q22, corresponding to year-on-year growth of 11% and 79% respectively. The guidance reflects macroeconomic development such as inflation and weaker consumer sentiment, and increased uncertainties related to the war in the Ukraine.

IFRS conversion and transition to reporting in USD has been completed within the expected timeline and the transition to Oslo Stock Exchange main list in June continues according to plan.

Segment overview

Airthings for Consumer

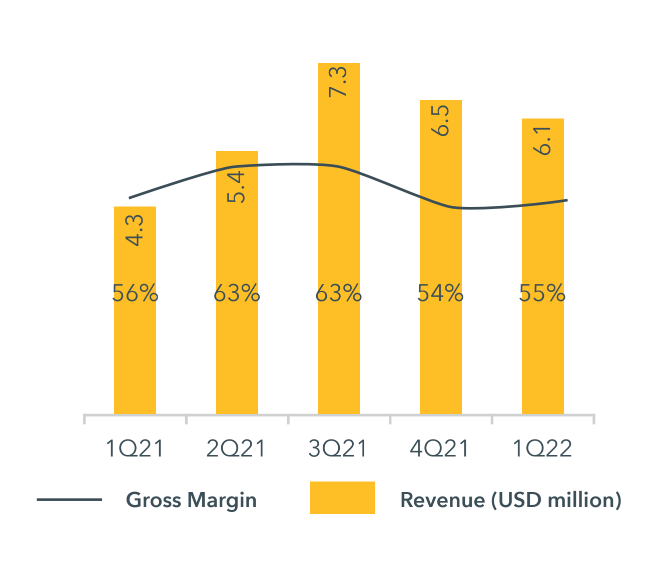
Airthings for Consumer has seen strong year-on-year growth and revenue came in at USD 6.1 million in 1Q22, up 42% from USD 4.3 million in 1Q21. While overall growth has been good year-on-year, inventory levels are somewhat elevated with retail partners in the quarter. The sale of 9000 Corentium Home devices during an Amazon US 'Deal of the Day' campaign, however, indicates that end consumer demand has remained intact.

Gross profit for the Consumer segment came in at USD 3.4 million in 1Q, reflecting a margin of 55.0%. This is largely in line with the 56.0% seen in 1Q21, but somewhat lower due to variations in product/channel mix and higher component prices.

In the quarter Airthings announced and started to ship two new versions of the View product series, View Pollution and View Radon. Over coming months and quarters Airthings expects to ramp up distribution of these products online and in select stores.

In addition, Exertis was onboarded as a new distributor for the consumer products in the Nordics, which will be key to expand retailer presence and sell-through in the region further. Finally, in 1Q Airthings secured a commitment for its first in-store retail roll-out in Australia. In 2Q Airthings will have in-store placement with View Pollution and Wave Mini in all of Officeworks stores.

Overall, the company sees particularly strong demand for View Plus, and the company has secured inventory to accommodate sales in the coming quarter. There is nevertheless uncertainty with regards to component availability for the product going forward, a key focus area continuously being monitored. Furthermore, headwinds to consumer sentiment, in the form of inflation and the war in Ukraine, create some heightened uncertainty going forward.



Airthings for Business (AfB)

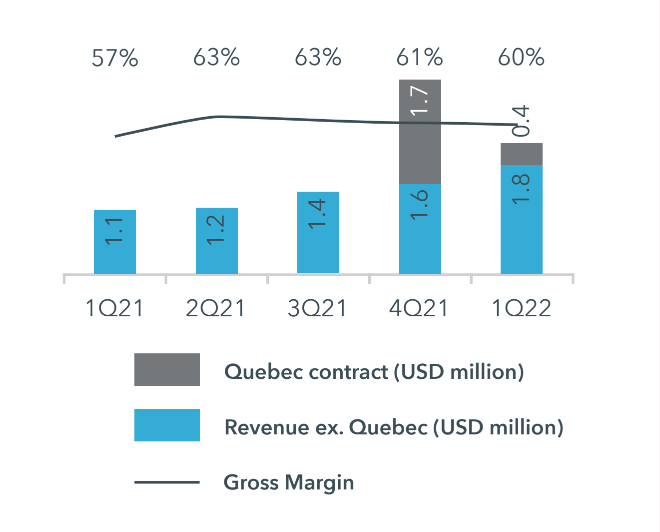
Revenue from Airthings for Business came in at USD 2.2 million in the quarter, 101% growth year-on-year. Revenue growth was mainly driven by a sizeable school campaign in the Netherlands where approximately 4,000 devices were sold in the quarter. AfB's share of total revenue in the quarter was 25% compared to 17% in 1Q21, and the segment has steadily grown its share of revenues quarter-over-quarter after accounting for 4Q21 being an outlier with the significant Quebec contract. There is still potential for improvements in the US market as sales have been somewhat slower in 1Q22 due to restructuring efforts, and the rebuilt team will be in strengthened position to increase its foothold in the US market going forward.

Revenue for Airthings for Business was acquired through our global partner network in the quarter and aggregated 185 deals with an average deal size of USD 11.7k. This represents year-on-year growth of 8% and 95%, respectively. Gross profit for Airthings for Business came in at USD 1.4 million in 1Q, reflecting a margin of 60.4%. The gross margin is up 3.7%-points year-on-year.

Airthings is seeing continued strong underlying growth from a broad range of customers and partners. In 1Q22, Airthings shipped its first devices to Microsoft's Headquarter in Paris through a partnership with market leading facility manager Sodexo. This partnership agreement is a testament to AfB's position and potential with major partners in large European markets, representing a promising opportunity as the company manifests its foothold in new markets. Airthings was also certified in the Japanese market in 1Q22, with the first installments being made in the second quarter of 2022.

After careful consideration and a thorough pilot testing process, Airthings has decided to not sell the Airtight solution acquired in 2020. The acquisition fast-forwarded our focus and understanding on how air quality monitoring can save energy in buildings, but ultimately the solution was deemed to not be commercially viable. Instead, Airthings will continue to help customers achieve energy savings through current AfB solutions. Airthings foresees major optimization opportunities to make existing buildings both smarter and more energy efficient, and insights from the differential pressure concept will be included in our R&D activities going forward. No changes to AfB's long-term prospective, in terms of the 2024 financial goals and beyond, are expected due to this development. In 2Q this will result in a one-time cost of USD 1.9 million as we write down USD 1.6 million of the technology and USD 0.3 million of the inventory.

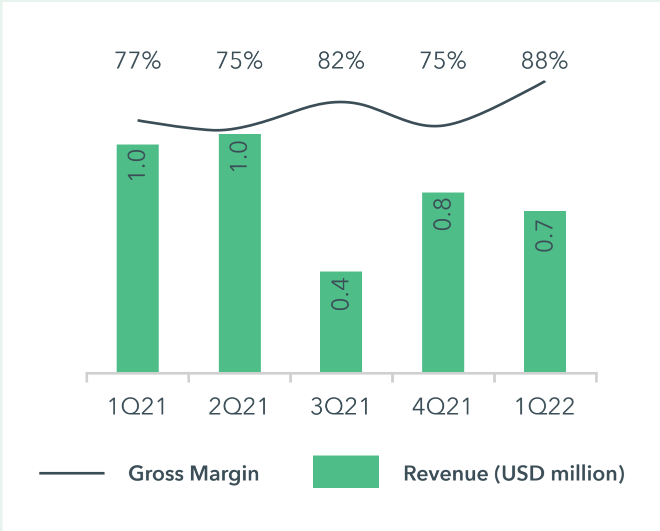
Airthings is continuously improving its offering for the AfB segment and expanding the product portfolio. In 1Q22 significant improvements were made to the AfB Dashboard for Building Insights, including new methods for visualizing data and the ability to tailor monitoring thresholds, improving the value proposition to businesses and schools.



Airthings for Professionals

Sales revenue from the PRO segment came in at USD 0.7 million, representing a reduction of 29% year-on-year. The US home inspector market continued to be challenging in 1Q22. As seen in the last quarters, the hot housing market has forced buyers to forgo home inspections to compete with other bids, which is largely due to demand for homes outpacing current inventory. An increased share of investors purchasing homes, as opposed to individuals and families, is also a contributing factor. The limited PRO sales fell approximately USD 0.4 million below expectations and management expects this tendency to continue in the short-term, with the market returning as home inspections return as a buyer requirement. Beyond the short-term, anticipated interest rate hikes in the US is likely to contribute to a cooler housing market and facilitate an increase in home inspections.

Gross profit from the Pro segment was USD 0.6 million in the quarter, reflecting 87.7% margin. This is up 10.9%-points up since 1Q21 and 12.5%-points up from 4Q21, reflecting a strong increase in profitability despite decreasing sales. The year-on-year margin increase was driven by change in product mix, and the revenue split between rental and calibration.



Oslo, May 4, 2022

Aksel Lund Svindal
Chairman of the Board

Liv Hege Dyrnes
Board member

Lars Rahbæk Boilesen
Board member

Geir Førre
Board member

Emma Tryti
Board member

Anlaug Gårdsrud Underdal
Board member

Tore Helge Rismyhr
Board member

Karin Berg
Board member

Øyvind Birkenes
CEO

Financials

Financial highlights (IFRS)

Key financials (USD 1,000)	1Q22	1Q21	Δ
Total revenue and other operating income	9,062	6,407	41%
Gross profit	5,327	3,811	40%
Gross margin	59%	59%	
EBITDA	-3,434	-2,645	
EBIT	-3,809	-2,935	
Profit (loss) before tax	-4,097	-3,105	
Annual Recurring Revenue	3,148	1,679	87%

Consolidated statement of profit or loss

For details related to revenue and gross profit, please see “Operational review” and “Segments”.

Operating expenses for the group came in at USD 8.8 million in 1Q22, up 36% YoY. The increase was primarily driven by personnel costs in accordance with the expansion plan, particularly within the sales and marketing organization. In addition, costs related to marketing and logistics contributed to a rise in other operating expenses during the quarter.

EBITDA came in at negative USD 3.4 million in the quarter.

Depreciation during 1Q22 was USD 0.4 million driven by depreciation of right-of-use assets for the period for leases recognized under IFRS 16.

EBIT came in at negative USD 3.8 million in 1Q22.

Net finance was negative USD 0.3 million in 1Q22 and consist primarily of exchange rate fluctuations between USD and NOK and interest expense on the IFRS 16 lease liability.

Loss before taxes was USD 4.1 million in 1Q22.

Tax income was USD 1.0 million in 1Q22 based on the normalized consolidated tax rate for the Group. This resulted in a net loss of USD 3.1 million in 1Q22.

Consolidated statement of financial position

Total assets at the end of 1Q22 were USD 80.3 million, mainly made up of USD 35.6 million in cash and cash equivalents , as well as inventories and trade receivables. Non-current assets increased by USD 1.0 million during the quarter (increase of USD 3.6 million year-on-year). Deferred tax assets increased by USD 1.0 million to USD 5.5 million in the 1Q22. Inventory increased by USD 1.5 million during the quarter (USD 7.2 million year-on-year) due to component price increases coupled with a strategy of securing finished supply in a market experiencing global supply and logistics challenges. Trade receivable decreased by USD 1.5 million in the quarter (increase of USD 5.6 million year-on-year driven by a high number of deals closed in December).

Total liabilities were USD 14.8 million at the end of 1Q22. Decrease in non-current provisions is related to employee option program. Lease liabilities reflects the non-current and current portion of the lease liability recognized for leasing of office space under IFRS 16. Other current liabilities consist of deferred revenue related to subscription service, public duty taxes, personnel related accruals and other accrued expenses during the quarter.

Consolidated statement of cash flows

Cash flow from operating activities came in at negative USD 6.4 million in 1Q mainly driven by a loss before tax of USD 4.1 million for the quarter in addition to negative working capital due to increase in inventories and provisions of USD 1.5 million and USD 1.2 million respectively.

Cashflow from investment activities was negative USD 0.6 million in 1Q22 driven mainly by internally generated intangible assets, purchase of software, production tooling and office equipment.

Cashflow from financing activities was marginal at negative USD 0.1 million in 1Q22 mainly related to payments of lease liabilities.

Total cash flow was hence negative USD 7.1 million and Airthings cash at end of the quarter was USD 35.6 million.

Consolidated statement of profit or loss

Amounts in USD 1,000	Notes	1Q 2022	1Q 2021
Revenues	4, 5	9,062	6,407
Other operating income		0	0
Total revenue and other operating income		**9,062**	**6,407**
Cost of goods sold		3,735	2,596
Employee benefit expenses	6	4,432	3,330
Other operating expenses	6	4,329	3,126
Operating profit or loss before depreciation & amortization (EBITDA)		**-3,434**	**-2,645**
Depreciation and amortization	7	375	291
Operating profit or loss (EBIT)		**-3,809**	**-2,935**
Finance income		0	0
Finance costs		288	170
Net financial items		**-288**	**-170**
Profit (loss) before tax		**-4,097**	**-3,105**
Income tax expense		-966	194
Profit (loss) for the period		**-3,131**	**-3,299**
Profit (loss) for the year attributable to:			
Equity holders of the parent company		-3,131	-3,299
Earnings per share:			
Basic earnings per share	9	-0.02	-0.02
Diluted earnings per share	9	-0.02	-0.02

Consolidated statement of comprehensive income

Amounts in USD 1,000	1Q 2022	1Q 2021
Profit (loss) for the period	**-3,131**	**-3,299**
Other comprehensive income:		
Items that subsequently will not be reclassified to profit or loss:		
Exchange differences on translation of parent company	530	45
Total items that may be reclassified to profit or loss	**530**	**45**
Items that subsequently may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	-1	0
Total items that may be reclassified to profit or loss	**-1**	**0**
Other comprehensive profit (loss) for the period	**529**	**45**
Total comprehensive profit (loss) for the period	**-2,602**	**-3,255**
Total comprehensive profit (loss) attributable to:		
Equity holders of the parent company	-2,602	-3,255

Consolidated statement of financial position

Amounts in USD 1,000	Notes	31.03.2022	31.03.2021	31.12.2021
ASSETS				
Non-current assets				
Goodwill	7	3,236	3,320	3,210
Intangible assets	7	2,884	2,345	2,495
Deferred tax assets		5,523	2,723	4,509
Property, plant and equipment		893	712	809
Right-of-use assets		4,160	3,487	4,241
Other non-current assets	10	682	1,177	1,075
Total non-current assets		**17,377**	**13,765**	**16,339**
Current assets				
Inventories		12,947	5,706	11,429
Trade receivables		10,321	4,741	11,850
Other receivables		4,004	2,547	1,889
Cash and cash equivalents		35,607	58,413	42,174
Total current assets		**62,879**	**71,407**	**67,342**
TOTAL ASSETS		**80,256**	**85,172**	**83,680**

Amounts in USD 1,000	Notes	31.03.2022	31.03.2021	31.12.2021
EQUITY AND LIABILITIES				
Equity				
Share capital	8	190	189	190
Share premium		78,784	78,532	78,669
Other capital reserves		1,814	1,235	1,704
Other equity		-15,323	-6,363	-12,721
Total equity		**65,465**	**73,593**	**67,842**
Non-current liabilities				
Non-current lease liabilities		3,636	3,176	3,803
Deferred tax liabilities		0	334	0
Non-current provisions	10	682	1,153	1,090
Total non-current liabilities		**4,317**	**4,663**	**4,892**
Current liabilities				
Current lease liabilities		779	475	670
Trade and other payables		7,173	4,395	7,027
Contract liabilities		963	618	894
Income tax payable		10	4	27
Current provisions		1,550	1,424	2,328
Total current liabilities		**10,473**	**6,916**	**10,946**
Total liabilities		**14,791**	**11,579**	**15,838**
TOTAL EQUITY AND LIABILITIES		**80,256**	**85,172**	**83,680**

Oslo, May 4, 2022

Aksel Lund Svindal
Chairman of the Board

Liv Hege Dyrnes
Board member

Lars Rahbæk Boilesen
Board member

Geir Førre
Board member

Emma Tryti
Board member

Anlaug Gårdsrud Underdal
Board member

Tore Helge Rismyhr
Board member

Karin Berg
Board member

Øyvind Birkenes
CEO

Consolidated statement of cash flows

Amounts in USD 1,000	Notes	Q1 2022	Q1 2021
Cash flows from operating activities			
Profit (loss) before tax		**-4,097**	**-3,105**
Adjustments to reconcile profit before tax to net cash flows:			
Net financial items		288	170
Depreciation and amortization	7	375	291
Share-based payment expense	10	110	139
Working capital adjustments:			
Changes in inventories		-1,518	-1,012
Changes in trade and other receivables		-587	1,752
Changes in trade and other payables and contract liabilities		215	452
Changes in provisions		-1,185	-1,220
Other items			
Tax paid		0	1
Net cash flows from operating activities		**-6,400**	**-2,533**
Cash flows from investing activities			
Development expenditures	7	-477	-210
Purchase of property, plant and equipment		-144	0
Net cash flow from investing activities		**-620**	**-210**
Cash flow from financing activities			
Proceeds from issuance of equity	8	115	60
Repayment of borrowings		0	-1,901
Payments for the principal portion of the lease liability		-184	-130
Payments for the interest portion of the lease liability		-57	-48
Interest paid		0	-4
Net cash flows from financing activities		**-126**	**-2,023**
Net increase/(decrease) in cash and cash equivalents		**-7,146**	**-4,766**
Cash and cash equivalents beginning of the period		42,174	62,943
Net foreign exchange difference		578	235
Cash and cash equivalents at 31 March		**35,607**	**58,413**

Consolidated statement of changes in equity

Amounts in USD 1,000	Share capital	Share premium	Other capital reserves	Other equity: Cumulative translation differences	Other equity: Retained earnings	Total equity
Equity 31 December 2020	**188**	**78,472**	**1,096**	**4,314**	**-7,422**	**76,648**
Profit (loss) for the period					-3,299	-3,299
Other comprehensive profit (loss)				45		45
Total comprehensive profit (loss)				**45**	**-3,299**	**-3,255**
Capital increase (note 8)	1	60				60
Share-based payments (note 10)			139			139
Equity 31 March 2021	**189**	**78,532**	**1,235**	**4,359**	**-10,721**	**73,593**

Amounts in USD 1,000	Share capital	Share premium	Other capital reserves	Other equity: Cumulative translation differences	Other equity: Retained earnings	Total equity
Equity 31 December 2021	**190**	**78,669**	**1,704**	**1,962**	**-14,683**	**67,842**
Profit (loss) for the period					-3,131	-3,131
Other comprehensive profit (loss)				529		529
Total comprehensive profit (loss)				**529**	**-3,131**	**-2,602**
Capital increase (noe 8)	1	115				115
Share-based payments (note 10)			110			110
Equity as at 31 March 2022	**190**	**78,784**	**1,814**	**2,491**	**-17,814**	**65,465**

Notes

Note 1: Corporate information

Airthings ASA ("the Company") is a publicly listed company on Euronext Growth, with the ticker symbol AIRX. Airthings ASA is incorporated and domiciled in Norway with principal offices located at Wergelandsveien 7, 0167 Oslo, Norway.

Airthings and its subsidiaries (collectively "the Group", or "Airthings") develop and produce solutions for monitoring indoor air quality, radon and energy efficiency. The Group sells it's products and solutions to consumers and businesses around the world.

The interim consolidated financial statements of the Group for the period ended 31 March 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 4 May 2022.

Reference is made to note 4.1 in the Group's consolidated financial statements for the year ended 31 December 2021 for a list of subsidiaries.

Note 2: Basis of preparation and significant accounting policies

The interim consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes. The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union ("EU").

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Airthings' 2021 consolidated financial statements as at 31 December 2021. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of Airthings' consolidated annual financial statements for the year ended 31 December 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim consolidated financial statements have been prepared on a historical cost basis. All figures are presented in United States dollar ("USD") thousands (USD 1,000), except when otherwise stated.

Further, the interim consolidated financial statements are prepared based on the going concern assumption. The Group has so far seen limited business impact related to the Covid-19 pandemic as the consumer demand for its products has in some cases increased due to elevated air quality awareness.
In other instances, Covid-19 has led to a pressed semiconductor market which has resulted in increased component prices and delivery delays as production capacity has been held back by component shortage.
Also, the pandemic has led to slowed retail

store roll-out and limited access to buildings for the business segment. The Board continues to monitor the situation carefully to ensure appropriate measures are taken as the situation continues to unfold during 2022.

Presentation currency and functional currency

Airthings ASA has Norwegian krone ("NOK") as its functional currency and it's subsidiaries have SEK or USD as their functional currencies. The Group presents it's consolidated financial statements in USD to provide the primary users of the financial statements with more convenient information.

War in Ukraine

The escalation of the conflict between Russia and Ukraine which led to armed conflicts in Ukraine on 24 February, 2022 has created uncertainty regarding the development of the global economy. The evolving conflict does currently not impact the Group directly, as it has no operating presence in either Russia, Belarus or Ukraine. Indirect effects however, such as financial market volatility, sanctions-related knock-on effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

Climate risk

The impact of climate risks has been taken into account in the preparation of the Group's interim consolidated financial statements for the period ended 31 March, 2022. However, the risks identified are not considered to have a significant impact on the Group considering the nature of the its operations. Potential impacts of climate change are continuously considered in assessing whether assets may be impaired. As of 31 March, 2022 there is no impact on the Group's assets or liabilities.

Note 3: Significant accounting judgements, estimates and assumptions

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

In preparing the interim consolidated financial statements, the significant judgments, estimates and assumptions made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to Airthings' annual financial statements for the year ended 31 December 2021. From January 2022, the Group has started to capitalize certain development costs which meet the criteria for capitalization under IAS 38 Intangible Assets. Capitalization of development costs requires management to make accounting judgements which may have a significant effect on the amounts recognized in the Groups interim consolidated financial statements.

Note 4: Operating segments

For management purposes, the Group is organized into business areas based on its different markets and has three reportable segments, as follows:

- Consumer - private customers
- Business - business customers such as schools, office buildings and other commercial buildings
- Professional - professional customers such as home inspectors and certified radon professionals

No operating segments have been aggregated to form the above reportable operating segments.

The Board of Directors is the Group's chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITDA measured consistently with operating profit or loss before depreciation and amortization. The Group's financing (including finance costs and finance income), depreciation and amortization and income taxes are managed on a Group basis and are not allocated to operating segments.

Group functions and adjustments/ eliminations

The remaining of the Group's activities and business are shown in the "Group functions" column in the tables below. These activities mainly relate to R&D, marketing and administrative functions of the Group.

The "Adjustments/eliminations" column in the tables below consists of IFRS adjustments that are not included as part of the segment reporting to the Board. The adjustment of USD 482 thousands (Q1 2021: USD 342 thousands) is related to consideration payable to a customer which was previously recognized as OPEX under NGAAP. Under IFRS, this is accounted for as a reduction of revenue.

The adjustment of USD 1,325 thousands (Q1 2021: USD 1,295 thousands) reflects the reversal of lease expenses for the Group's operating leases under NGAAP (Q1 2022: USD 241 thousands, Q1 2021: USD 178 thousands), in addition to the reclass from OPEX to a reduction of revenue (Q1 2022: USD 1,084 thousands, Q1 2021: USD 1,117 thousands). The IFRS adjustments are mainly related to the Consumer segment.

1Q 2022 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	6,616	2,240	687		-482	9,062
Other operating income						
Total revenue	**6,616**	**2,240**	**687**		**-482**	**9,062**
Cost of goods sold	2,763	887	84			3,735
Employee benefit expenses	493	1,054	30	2,856		4,432
Other operating expenses	812	368	84	4,390	-1,325	4,329
EBITDA	**2,548**	**-69**	**489**	**-7,246**	**844**	**-3,434**

1Q 2021 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	4,662	1,116	971		-342	6,407
Other operating income						
Total revenue	**4,662**	**1,116**	**971**		**-342**	**6,407**
Cost of goods sold	1,888	483	225			2,596
Employee benefit expenses	356	622	32	2,321		3,330
Other operating expenses	408	105	51	3,856	-1,295	3,126
EBITDA	**2,010**	**-95**	**663**	**-6,176**	**953**	**-2,645**

Segmental analysis of assets and liabilities

Assets and liabilities by reporting segment is not included in management reporting and is therefore not disclosed separately within the operating segments.

Geographical disaggregation

Reference is made to note 2.2 Revenue for information on the Group's geographical markets.

Note 5: Revenue

Airthings Group is a manufacturer of air quality sensors and hardware-enabled software products for air quality, radon measurement and energy efficiency solutions. The Group's revenue from contracts with customers are reported in three main segments as described in note 4: Consumer, Business and Professional.

- The consumer segment sells air quality sensors to private customers through retailers and e-commerce.
- The business segment sells air quality solutions to schools, office buildings, and other commercial buildings.
- The professional segment sells measurement solutions which enables inspectors and certified radon professionals to accurately measure, analyze and report on buildings. The professional segment also offers rental of products and calibration services.

Set out below is the disaggregation of the Group's total revenue:

Revenues (USD 1,000)	1Q 2022	1Q 2021
Revenue from contracts with customers	8,943	6,292
Rental income	119	115
Total revenues	**9,062**	**6,407**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Geographical information (USD 1,000)	1Q 2022	1Q 2021
EMEA	3,656	2,498
North America (USA and Canada)	5,287	3,794
Total revenue from contracts with customers	**8,943**	**6,292**

The information above is based on the location of the customers.

Timing of revenue recognition (USD 1,000)	1Q 2022	1Q 2021
Goods transferred at a point in time	8,306	6,029
Subscription and services transferred over time	637	264
Total revenue from contracts with customers	**8,943**	**6,292**

Note 6: Other operating expenses

Total operating expenses by function

The table below illustrates the Group's employee benefit expenses and other operating expenses by function. These measures are regularly provided to and reviewed by the Board.

Operating expenses (USD 1,000)	1Q 2022	1Q 2021
Sales and marketing	4,693	3,411
Research and development	2,048	1,915
General and administrative	2,020	1,129
Total operating expenses	**8,761**	**6,456**
Number of employees	148	113

Note 7: Intangible assets

Nature of the Group's intangible assets

The Group's intangible assets mainly comprise of software and systems, internal development projects and technology acquired through the acquisition of subsidiaries.

(USD 1,000)	Internally generated intangible assets	Software & systems	Technology	Goodwill	Total
Acquisition cost as at 31 December 2020		**741**	**1,770**	**3,320**	**5,830**
Additions					
Currency translation effects					
Acquisition cost as at 31 March 2021		**741**	**1,770**	**3,320**	**5,830**
Acquisition cost as at 31 December 2021		**1,129**	**1,864**	**3,210**	**6,203**
Additions	401	76			477
Currency translation effects		12	14	26	52
Acquisition cost as at 31 March 2022	**401**	**1,218**	**1,877**	**3,236**	**6,732**
Accumulated amortization as at 31 December 2020		**119**	**45**		**164**
Amortization charge for the period					
Currency translation effects					
Accumulated amortization as at 31 March 2021		**119**	**45**		**164**
Accumulated amortization as at 31 December 2021		**282**	**217**		**498**
Amortization charge for the period		64	43		106
Currency translation effects		7	1		8
Accumulated amortization as at 31 March 2022		**353**	**260**		**613**
Net book value:					
At 31 March 2021		**621**	**1,724**	**3,320**	**5,666**
At 31 December 2021		**848**	**1,647**	**3,210**	**5,704**
At 31 March 2022	**401**	**865**	**1,617**	**3,236**	**6,120**
Economic life (years)	5	5	10	Indefinite	
Depreciation plan	Straight-line				

Note 8: Share capital and shareholders information

Issued capital and reserves:

Share capital in Airthings ASA	Number of shares authorized and fully paid	Par value per share (NOK)	Financial Position (USD 1,000)
At 31 December 2020	**170,605,637**	**0.01**	**188**
Share capital increase - February 2021	523,400	0.01	1
At 31 March 2021	**171,129,037**	**0.01**	**189**
Share capital increase - April 2021	112,900	0.01	0
Share capital increase - July 2021	289,600	0.01	0
Share capital increase - October 2021	284,900	0.01	0
At 31 December 2021	**171,816,437**	**0.01**	**190**
Share capital increase - February 2022	550,400	0.01	1
At 31 March 2022	**172,366,837**	**0.01**	**190**

All shares are ordinary and have the same voting rights and rights to dividends. Reconciliation of the Group's equity is presented in the statement of changes in equity.

No distributions were made to shareholders in the current or prior period. Further, there are no proposed dividends.

Share price information	
Share price March 31, 2022 (NOK)	8.05
Market capitalization March 31, 2022 (NOK million)	1,388

The Group's shareholders:

Shareholders in Airthings ASA at 31 March 2022	Total shares	Ownership/Voting rights
Firda AS	26,206,543	15%
Verdipapirfondet KLP AksjeNorge	7,962,222	5%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,894,522	3%
Erlend Peter Johnsen Bolle	4,819,722	3%
Victoria India Fund AS	4,558,131	3%
J.P. Morgan SE	4,531,472	3%
Bjørn Magne Sundal	4,364,999	3%
Koki Yoshioka	4,166,650	2%
Verdipapirfondet Storebrand Norge	4,075,537	2%
JPMorgan Chase Bank	4,000,000	2%
Verdipapirfondet EIKA Spar	3,382,067	2%
Skandinaviska Enskilda Banken AB	3,025,292	2%
Skilling Systemer AS	3,000,000	2%
Danske Invest Norge Vekst	2,962,962	2%
Møsbu AS	2,814,236	2%
Longfellow Invest AS	2,453,534	1%
Nore-Invest AS	2,450,659	1%
Storlien Invest AS	2,427,533	1%
Other	68,832,924	40%
Total	**172,366,837**	**100%**

Shareholders in Airthings ASA at 31 December 2021	Total shares	Ownership/Voting rights
Firda AS	25,826,543	15%
Verdipapirfondet KLP AksjeNorge	7,762,222	5%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,879,522	3%
Erlend Peter Johnsen Bolle	4,819,722	3%
Victoria India Fund AS	4,558,131	3%
J.P. Morgan Bank Luxembourg S.A.	4,433,967	3%
Bjørn Magne Sundal	4,364,999	3%
Koki Yoshioka	4,166,650	2%
JPMorgan Chase Bank	4,000,000	2%
Verdipapirfondet EIKA Spar	3,382,067	2%
Skandinaviska Enskilda Banken AB	3,025,292	2%
Skilling Systemer AS	3,000,000	2%
Danske Invest Norge Vekst	2,962,962	2%
Møsbu AS	2,814,236	2%
Verdipapirfondet Storebrand Norge	2,657,876	2%
Longfellow Invest AS	2,453,534	1%
Nore-Invest AS	2,450,659	1%
Storlien Invest AS	2,427,533	1%
Other	70,392,690	41%
Total	**171,816,437**	**100%**

Note 9: Earnings per share

(Profit or loss in USD)	1Q 2022	1Q 2021
Profit or loss attributable to ordinary equity holders - for basic EPS	-3,131,194	-3,299,148
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-3,131,194	-3,299,148
Weighted average number of ordinary shares - for basic EPS	172,088,545	170,923,206
Weighted average number of ordinary shares adjusted for the effect of dilution	177,986,048	178,464,695
Basic EPS - profit or loss attributable to equity holders of the parent	**-0.02**	**-0.02**
*Diluted EPS - profit or loss attributable to equity holders of the parent**	**-0.02**	**-0.02**

*The ordinary shares are not adjusted for the effect of dilution as the effect of including the additional shares is antidilutive.

Note 10: Share-based payments

Employees (including members of the Board and management) of the Group receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions). As at 31 March 2022, the Group had 9 404 318 outstanding options with a weighted average strike price of NOK 3.57. Reference is made to note 6.8 of Airthings' 2021 consolidated financial statements for a description of the Group' share option plans.

During Q1 2022, 211 830 share options were granted to key employees and members of the Board under the Group's share option plan from 2021. The fair value of the options granted during the three months ended 31 March 2022 was estimated on the date of grant using the following assumptions:

For the three months ended 31 March 2022, the Group has recognized USD 110 thousands of share-based payment expense in the statement of profit or loss (31 March 2021: USD 139 thousands).

As at 31 March 2022, the Group has recognized a social security provision for share-based payment of USD 682 thousands (31 December 2021: USD 1,090 thousands).

Note 11: Events after the reporting period

Adjusting events

There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events

The Airtight acquisition in 2020 fast-forwarded our focus and understanding on how air quality monitoring can save energy in buildings. However, after a thorough pilot process Airthings has recently decided to not sell Airtight hardware as a separate product, but rather continue to help customers achieve energy savings through current AfB solution. Airthings sees major optimization opportunities to make existing buildings both smarter and more energy efficient, and the insights gleaned from the differential pressure concept will inform R&D efforts for the AfB portfolio going forward. No changes to AfB's long-term prospects, in terms of the 2024 financial goals and beyond, are expected due to this development. In 2Q this will result in a one-time cost of USD 1.9 million as we write down USD 1.6 million of the technology and USD 0.3 million of the inventory.

Alternative performance measures

This section includes information about alternative performance measures (APMs) applied by the Group.

These alternative performance measures are presented to improve the ability of stakeholders to evaluate the Group's operating performance. The Group applies the following APMs:

Annual recurring revenue (ARR)

ARR is the value of annualized sales from all active subscriptions, licenses and service contracts within the Airthings for Business and Professional segments. The calculation is based on monthly subscription fees for the ending period (MRR), multiplied by 12 in order to represent an annualized figure. The numbers presented in the table below are translated from NOK to USD applying the average NOK/USD exchange rate for Q1 2022 and Q1 2021 respectively. ARR is considered an important supplemental measure for stakeholders to get an overall understanding of revenue generation within the Group's operating activities.

(USD 1,000)	1Q 2022	1Q 2021
MRR March	262	140
ARR	**3,148**	**1,679**

EBITDA

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) is used to provide consistent information on Airthings' operating performance relative to other companies, and is frequently used by analysts, investors and other stakeholders when evaluating the financial performance of the Group. EBITDA, as defined by Airthings, includes total operating revenue and excludes depreciation, amortization and impairment loss. For a reconciliation of EBITDA, refer to the consolidated statement of profit or loss.

EBITDA (USD 1,000)	1Q 2022	1Q 2021
Revenue	9,062	6,407
EBITDA	**-3,434**	**-2,645**
EBITDA margin	**-38%**	**-41%**

Gross profit margin

Gross profit margin is defined as revenue less cost of goods sold as a percentage of total revenue. Management believes that this measure is important for the users of the financial statements to determine the profitability and the financial performance of the Group.

Gross profit margin (USD 1,000)	1Q 2022	1Q 2021
Revenue	9,062	6,407
Cost of goods sold	3,735	2,596
Gross profit	**5,327**	**3,811**
Gross profit margin	**59%**	**59%**

Forward-looking statements

Forward-looking statements presented in this report are based on various assumptions. The assumptions were reasonable when made but are inherently subject to uncertainties and contingencies that are difficult or impossible to predict. Airthings ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.


AIRTHINGS
Breathe better. Live better.

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To the Board of Directors of Airthings ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Airthings ASA as of 31 March 2022, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 31 March 2022, and its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 5 May 2022

BDO AS

Børre Skisland

Børre Skisland
State Authorised Public Accountant

APPENDIX E:

The Group's unaudited restated financial information for 2020 (NGAAP)

According to Q1 2022 report
According to 2021 annual report
According to 2021 annual report note 8.1 (IFRS transition note)

Consolidated statement of profit or loss

	Year ended 31 December		
	2021	2020	2020
(Amounts in USD thousands)	IFRS	IFRS	NGAAP
Revenues	33 671	20 893	22 818
Other operating income	28	123	123
Total revenue and other operating income	**33 699**	**21 016**	**22 941**
Cost of goods sold	13 041	7 576	7 576
Employee benefit expenses	15 127	9 094	9 094
Other operating expenses	13 566	9 132	11 510
Operating profit or loss before depreciation and amortization (EBITDA)	**- 8 035**	**- 4 786**	**- 5 239**
Depreciation and amortization	1 335	736	509
Operating profit or loss (EBIT)	**- 9 371**	**- 5 522**	**- 5 748**
Finance income	323	20	20
Finance costs	268	673	524
Net financial items	**55**	**- 653**	**- 504**
Profit (loss) before tax	**- 9 315**	**- 6 175**	**- 6 252**
Income tax expense	- 2 055	- 2 044	- 2 017
Profit (loss) for the year	**- 7 261**	**- 4 131**	**- 4 235**
Profit (loss) for the year attributable to:			
Equity holders of the parent company	**- 7 261**	**- 4 131**	**- 4 235**

Consolidated statement of comprehensive income

	Year ended 31 December		
	2021	2020	2020
(Amounts in USD thousands)	IFRS	IFRS	NGAAP
Profit (loss) for the year	**-7 261**	**-4 131**	**-4 235**
Other comprehensive income:			
Items that subsequently will not be reclassified to profit or loss:			
Exchange differences on translation of parent company	- 2 366	4 289	-
Total items that may be reclassified to profit or loss	- 2 366	4 289	-
Items that subsequently may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	14	25	-
Total items that may be reclassified to profit or loss	14	25	-
Other comprehensive profit (loss) for the year	**- 2 352**	**4 314**	**-**
Total comprehensive profit (loss) for the year	**- 9 612**	**183**	**-4 235**
Total comprehensive profit (loss) attributable to:			
Equity holders of the parent company	- 9 612	183	- 4 235

Three months period ended 31 March		
2019	**2022**	**2021**
NGAAP	**IAS 34**	**IAS 34**
15 824	9 062	6 407
565	-	-
16 389	**9 062**	**6 407**
4 453	3 735	2 596
5 918	4 432	3 330
7 816	4 329	3 126
- 1 797	**- 3 434**	**- 2 645**
79	375	291
- 1 876	**- 3 809**	**- 2 935**
541	0	- 0
630	288	170
- 89	**- 288**	**- 170**
- 1 966	**- 4 097**	**- 3 105**
- 453	- 966	194
- 1 512	**- 3 131**	**- 3 299**
- 1 512	**- 3 131**	**- 3 299**

Three months period ended 31 March		
2019	**2022**	**2021**
NGAAP	IAS 34	IAS 34
-1 512	**-3 131**	**-3 299**
-	530	45
-	530	45
-	- 1	-
-	- 1	-
-	**529**	**45**
-1 512	**-2 602**	**-3 255**
- 1 512	- 2 602	- 3 255

Consolidated balance sheet

	As at 31 December		
	2021	**2020**	**2020**
(Amounts in USD 1,000)	**IFRS**	**IFRS**	**NGAAP**
ASSETS			
Non-current assets			
Goodwill	3 210	3 317	3 096
Intangible assets	2 495	2 332	2 332
Deferred tax assets	4 509	2 953	2 688
Property, plant and equipment	809	595	595
Right-of-use assets	4 241	3 578	-
Other non-current assets	1 075	1 524	1 524
Total non-current assets	**16 339**	**14 298**	**10 234**
Current assets			
Inventories	11 429	4 694	4 694
Trade receivables	11 850	7 000	7 000
Other receivables	1 889	2 041	2 041
Cash and cash equivalents	42 174	62 943	62 943
Total current assets	**67 342**	**76 678**	**76 678**
TOTAL ASSETS	**83 680**	**90 976**	**86 912**
EQUITY AND LIABILITIES			
Equity			
Share capital	190	188	188
Share premium	78 669	78 472	78 472
Other capital reserves	1 704	1 096	1 096
Other equity	-12 721	-3 108	- 2 390
Total equity	**67 842**	**76 648**	**77 367**
Non-current liabilities			
Non-current interest-bearing liabilities	-	-	-
Non-current lease liabilities	3 803	3 243	-
Deferred tax liabilities	-	343	343
Non-current provisions	1 090	1 442	1 442
Total non-current liabilities	**4 892**	**5 028**	**1 785**
Current liabilities			
Current interest-bearing liabilities	-	1 901	1 901
Current lease liabilities	670	473	-
Trade and other payables	7 027	4 139	4 139
Contract liabilities	894	422	422
Income tax payable	27	10	10
Current provisions	2 328	2 355	1 289
Total current liabilities	**10 946**	**9 300**	**7 761**
Total liabilities	**15 838**	**14 327**	**9 545**
TOTAL EQUITY AND LIABILITIES	**83 680**	**90 976**	**86 912**
	0	0	0

	As at 31 March	
2019	2022	2021
NGAAP	IAS 34	IAS 34
-	3 236	3 320
418	2 884	2 345
510	5 523	2 723
263	893	712
-	4 160	3 487
38	682	1 177
1 230	**17 377**	**13 765**
3 306	12 947	5 706
4 640	10 321	4 741
1 618	4 004	2 547
5 589	35 607	58 413
15 154	**62 879**	**71 407**
16 383	**80 256**	**85 172**
65	190	189
10 440	78 784	78 532
636	1 814	1 235
-31	- 15 323	- 6 363
11 109	**65 465**	**73 593**
2 037	-	-
-	3 636	3 176
-	-	334
-	682	1 153
2 037	**4 317**	**4 663**
-	-	-
-	779	475
2 301	7 173	4 395
73	963	618
4	10	4
858	1 550	1 424
3 236	**10 473**	**6 916**
5 274	**14 791**	**11 579**
16 383	**80 256**	**85 172**
0	0	0

Consolidated cash flow statement

		Year ended
	2021	2020
(Amounts in USD 1,000)	IFRS	IFRS
Cash flows from operating activities		
Profit (loss) before tax	**-9 315**	**-6 175**
Adjustments to reconcile profit before tax to net cash flows:		
Net financial items	-55	653
Depreciation and amortization	1 335	736
Share- based payment expense	608	460
Working capital adjustments:		
Changes in inventories	-6 736	-1 387
Changes in trade and other receivables	-4 697	-2 783
Changes in trade and other payables and contract liabilities	3 360	2 188
Changes in provisions	-380	1 900
Other items		
Tax paid	1	-4
Net cash flows from operating activities	**-15 879**	**-4 412**
Cash flows from investing activities		
Development expenditures	-574	-269
Purchase of property, plant and equipment	-495	-404
Purchase of shares in subsidiaries, net of cash acquired	-	-1 255
Interest received	102	14
Net cash flow from investing activities	**-968**	**-1 914**
Cash flow from financing activities		
Proceeds from issuance of equity	198	69 162
Proceeds from sales of own shares	-	184
Transaction costs on issue of shares	-	-3 641
Proceeds from borrowings	-	-
Repayment of borrowings	-1 901	-177
Payments for the principal portion of the lease liability	-636	-302
Payments for the interest portion of the lease liability	-217	-149
Interest paid	-4	-106
Net cash flows from financing activities	**-2 560**	**64 971**
Net increase/ (decrease) in cash and cash equivalents	**-19 407**	**58 644**
Cash and cash equivalents at 1 January	62 943	5 589
Net foreign exchange difference	-1 362	-1 290
Cash and cash equivalents at 31 December	**42 174**	**62 943**
	0	0

December 31		Three months period ended 31 March	
2020	**2019**	**2022**	**2021**
NGAAP	**NGAAP**	**IAS 34**	**IAS 34**
-6 252	**- 1 966**	**-4 097**	**-3 105**
504	89	288	170
509	79	375	291
460	468	110	139
-1 387	- 1 622	- 1 518	- 1 012
-2 783	- 1 333	- 587	1 752
2 188	474	215	452
1 872	-	- 1 185	- 1 220
-4	-	-	1
-4 893	**- 3 810**	**- 6 400**	**- 2 533**
-269	-	- 477	- 210
-404	- 503	- 144	-
-1 255	-	-	-
14	-	-	-
-1 914	**- 503**	**-620**	**-210**
69 162	6 217	115	60
184	304	-	-
-3 641	-	-	-
-	2 037	-	-
-177	-	-	- 1 901
-	-	- 184	- 130
-	-	- 57	- 48
-106	-	-	- 4
65 422	**8 558**	**-126**	**-2 023**
58 614	**4 245**	**- 7 146**	**- 4 766**
5 589	1 419	42 174	62 943
-1 260	- 74	578	235
62 943	**5 589**	**35 607**	**58 413**
0	0	0	0

	NOK		KUSD	
From NGAAP 2019 AR	**2019 NGAAP**		**2019 NGAAP**	
Operating activities				
Resultat før skattekostnad	-	17 303 763	-	1 966
Periodens betalte skatt		-		-
Avskrivninger		693 956		79
Adjustment for share- based payment		4 118 260		468
Endring i varelager	-	14 241 793	-	1 622
Endring i kundefordringer	-	9 889 049	-	1 126
Endring i leverandørgjeld	-	3 353 231	-	382
Endring i andre tidsavgrensningsposter		5 727 000		652
Netto kontantstrøm fra operasjonelle aktiviteter	**-**	**34 248 620**	**-**	**3 897**
Investing activities				
Utbetaling ved kjøp av varige driftsmidler	-	4 247 467	-	482
Utbetaling ved kjøp av aksjer		-		-
Utbetalinger/innbetalinger ved endring langsiktige fordringer	-	181 680	-	21
Netto kontantstrøm fra finansieringsaktiviteter	**-**	**4 429 147**	**-**	**503**
Financing activities				
Innbetaling ved opptak av ny langsiktig gjeld		17 888 892		2 037
Innbetalt egenkapital (emisjoner)		54 729 444		6 217
Kjøp/salg egne aksjer		2 676 341		304
Netto kontantstrøm fra finansieringsaktiviteter		**75 294 677**		**8 558**
Net change in cash and cash equivalents		**36 616 910**		**4 158**
Beh. Av kontanter ved periodens begynnelse		12 458 832		1 419
Cash and cash equivalents at the end of period		**49 075 742**		**5 577**

From balance sheet 2019 NGAAP report (NOK)	**2019**	**2018**
Trade and other receivables	54 905 310	43 203 006
Trade and other payables	28 413 782	24 249 372
Sum change		
Change in 2019 CF		
Difference		

OK

OK
OK
OK
Se tabell under for splitt til IFRS oppstilling
Se tabell under for splitt til IFRS oppstilling
Se tabell under for splitt til IFRS oppstilling
87 Uves.

OK
OK
OK. Kjøp av websystemer. Magnus: legge denne på purchase of fixed assets
-

OK
OK
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-

OK

Change 2019

	NOK		USD
-	11 702 304	-	1 332 791
	4 164 410		474 290
-	**7 537 894**	**-**	**858 501**
-	7 515 280		
-	22 614	Uves.	

Consolidated statement of changes in equity

IFRS 2020 and 2021
IAS 34 Q1 2021 and Q1 2022

(Amounts in USD thousands)	Share capital	Share premium	Treasury shares	Other capital reserves
Equity at as 1 January 2020	**65**	**10 440**	**-0,3**	**636**
Profit (loss) for the year				
Other comprehensive profit (loss)				
Total comprehensive profit (loss)	-	-	-	-
Sale of treasury shares			0,3	
Capital increase	123	68 032		
Transaction costs				
Share-based payments				460
Equity as at 31 December 2020	**188**	**78 472**	**-**	**1 096**
Profit (loss) for the year				
Other comprehensive profit (loss)				
Total comprehensive profit (loss)	-	-	-	-
Capital increase	1	197		
Share-based payments				608
Equity as at 31 December 2021	**190**	**78 669**	**-**	**1 704**
Profit (loss) for the period				
Other comprehensive profit (loss)				
Total comprehensive profit (loss)	-	-	-	-
Capital increase	1	115		
Share-based payments				110
Equity as at 31 March 2022	**190**	**78 784**	**-**	**1 814**
Equity as at 31 December 2020	**188**	**78 472**	**-**	**1 096**
Profit (loss) for the period				
Other comprehensive profit (loss)				
Total comprehensive profit (loss)	-	-	-	-
Capital increase	1	60		
Share-based payments				139
Equity as at 31 March 2021	**189**	**78 532**	**-**	**1 235**

NGAAP 2019

(Amounts in USD thousands)	Share capital	Share premium	Treasury shares	Other capital reserves
Equity as at 1 January 2019	**56**	**4 257**	**- 0,8**	**169**
Profit (loss) for the year				
Currency translation differences				
Sale of treasury shares			0,5	
Capital increase	9	6 182		
Share-based payments				468
Equity at as 31 December 2019	**65**	**10 440**	**-0,3**	**636**

Profit (loss) for the year				
Currency translation differences				
Sale of treasury shares			0,3	
Capital increase	123	68 032		
Transaction costs				
Share-based payments				460
Equity as at 31 December 2020	**188**	**78 472**	**-0**	**1 096**

2019 AR

Konsern	Aksjekapital	Egne aksjer	Overkurs	Annen egenkapital
Pr. 01.01	486 165	-6 852	37 020 250	11 747 256
Kapitalforhøyelse	81 564		54 647 880	
Salg av egne aksjer		4 238		2 672 103
Årets resultat				-9 193 774
Valutakursdifferanser				47 846
Pr 31.12	**567 729**	**-2 614**	**91 668 130**	**5 273 431**

Q4 2020

	Share capital	Treasury shares	Premium reserve	Other paid-in equity	Other equity
Equity as of 01.01.2019 (NOK 1 000)	**486**	**-7**	**37 020**	**1 469**	**10 278**
Sale of treasury shares		4			2 672
Capital increase	82		54 648		
Share based payments				4 118	
Result for the year					-13 312
Translation differences					48
Equity as of 31.12.2019 (NOK 1 000)	**568**	**- 3**	**91 668**	**5 587**	**- 314**

Other equity		
Cumulative translation differences	**Retained earnings**	**Total equity**
-	**-841**	**10 300**
	-4 131	-4 131
4 314		4 314
4 314	**-4 131**	**183**
	184	**185**
	1 007	**69 162**
	-3 641	**-3 641**
		460
4 314	**-7 422**	**76 648**
	-7 261	-7 261
-2 352		-2 352
-2 352	**-7 261**	**-9 612**
		198
		608
1 962	**-14 683**	**67 842**
	-3 131	-3 131
529		529
529	**-3 131**	**-2 602**
		115
		110
2 491	**-17 814**	**65 465**
4 314	**-7 422**	**76 648**
	-3 299	-3 299
45		45
45	**-3 299**	**-3 255**
		60
		139
4 359	**-10 721**	**73 593**

Other equity		
Cumulative translation differences	**Retained earnings**	**Total equity**
-	**1 182**	**5 662**
	- 1 512	- 1 512
-4		- 4
	304	304
		6 191
		468
-4	**-27**	**11 109**

	-4 235	-4 235	
4 327		4 327	
	184	**185**	
	1 007	**69 162**	
	-3 641	**-3 641**	
		460	
4 323	**-6 712**	**77 367**	0

Sum egenkapital
49 246 819
54 729 444
2 676 341
-9 193 774
47 846
97 506 676

Total equity
49 247
2 676
54 730
4 118
-13 312
48
97 507

Table 11 - Consolidated revenue by geographic area	Year ended 31 December			
	2021	**2020**	**2020**	**2019**
(Amounts in USD 1,000)	**IFRS**	**IFRS**	**NGAAP**	**NGAAP**
EMEA	9 537	5 166	5 166	3 548
North America (USA and Canada)	23 635	15 406	17 331	12 037
Total revenue from contracts with customers	**33 172**	**20 572**	**22 496**	**15 585**

Table 12 - Consolidated revenue by operating segment	Year ended 31 December			
	2021	**2020**	**2020**	**2019**
(Amounts in USD 1,000)	**IFRS**	**IFRS**	**NGAAP**	**NGAAP**
Consumer	26 064	19 188	19 188	15 012
Business	6 942	1 430	1 430	337
Professional	3 167	2 200	2 200	236
Adjustments/eliminations	- 2 502	- 1 925	-	
Total external revenue	**33 671**	**20 893**	**22 818**	**15 585**

Three months period	
2022	2021
IAS 34	IAS 34
3 656	2 498
5 287	3 794
8 943	**6 292**

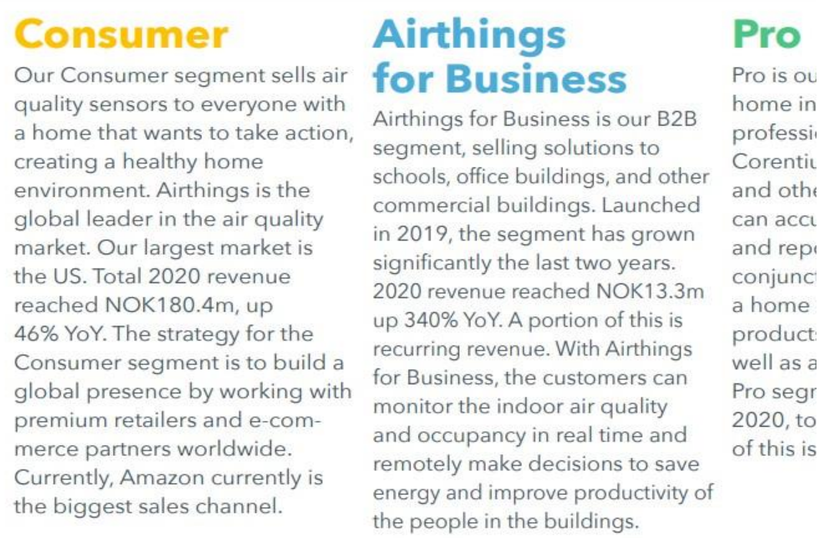
Three months period	
2022	2021
IAS 34	IAS 34
6 616	4 662
2 240	1 116
687	971
-482	-342
9 062	**6 407**

Geographical revenue split NGAAP 2020 and 2019	
	2020
Total revenue from contracts with customers	22 496
	2020
EMEA	22,96 %
North America	77,04 %
Total	**100 %**

Revenue from contracts with customers by geographical area	
	2020
EMEA	5 166
North America	17 331
Total	**22 496**

-

Revenue by segment NGAAP 2019	Total revenues
Consumer	134 313 489
Business	3 018 537
Professional	2 109 244
Total	**139 441 269**



Consumer

Our Consumer segment sells air quality sensors to everyone with a home that wants to take action, creating a healthy home environment. Airthings is the global leader in the air quality market. Our largest market is the US. Total 2020 revenue reached NOK180.4m, up 46% YoY. The strategy for the Consumer segment is to build a global presence by working with premium retailers and e-commerce partners worldwide. Currently, Amazon currently is the biggest sales channel.

Airthings for Business

Airthings for Business is our B2B segment, selling solutions to schools, office buildings, and other commercial buildings. Launched in 2019, the segment has grown significantly the last two years. 2020 revenue reached NOK13.3m up 340% YoY. A portion of this is recurring revenue. With Airthings for Business, the customers can monitor the indoor air quality and occupancy in real time and remotely make decisions to save energy and improve productivity of the people in the buildings.

Pro

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2019	
15 585	

2019	
22,77 %	
77,23 %	*Allocation from doc.* *"Geographical revenue split"*
100 %	

2019
3 548
12 037
15 585

-

% of revenues
96 %
2 %
2 %
100 %

ır segment for
ıspectors and radon
onals. By using our
ım Pro, home inspectors
er radon professionals
ırately measure, analyze,
ort radon levels in
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or building. We offer
s for sale and rental, as
ı calibration service. Our
ment grew by 57% YoY in
ı NOK20.7m. A portion
ı recurring revenue.

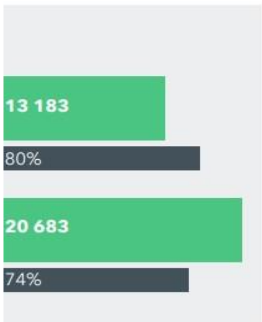

Table 4 - Capitalisation

(In USD thousands)	As at 31 March 2022	
Total current debt (including current portion of non-current debt):	-	
Guaranteed	-	
Secured	-	
Unguaranteed / unsecured	10 473	
Total current debt:	**10 473**	
Total non-current debt (excluding current portion of non-current debt):		
Guaranteed	-	
Secured	-	
Unguaranteed / unsecured	4 317	
Total non-current debt:	**4 317**	
Total indebtedness	**14 791**	
Shareholders equity		
Share capital	190	
Legal reserve(s)	78 784	
Other reserves	- 13 509	
Total shareholders' equity	**65 465**	-
Total capitalisation	**90 729**	

Table 5 - Net financial indebtedness

(In USD thousands)		**As at 31 March 2022**
Cash		35 607
Cash equivalents		-
Other current financial assets		
Liquidity		**35 607**
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt		-
Current portion of non-current financial debt		-
Current financial indebtedness		**-**
Net current financial indebtedness	**-**	**35 607**
Non-current financial debt (excluding current portion and debt instruments)		-
Debt instruments		-
Non-current trade and other payables		-
Non-current financial indebtedness		**-**
Total financial indebtedness	**-**	**35 607**

In USD million

Table 5 - Net financial indebtedness

(In USD thousands)		**As at 31 March 2022**
Cash		35,6
Cash equivalents		-
Other current financial assets		-
Liquidity		**35,6**
		-
		-
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt		-
Current portion of non-current financial debt		-
Current financial indebtedness		**-**
Net current financial indebtedness	**-**	**35,6**
Non-current financial debt (excluding current portion and debt instruments)		-
Debt instruments		-
Non-current trade and other payables		-
Non-current financial indebtedness		**-**
Total financial indebtedness	**-**	**35,6**

Account	USD
1900 Kontanter	0
1920 DnB 1503.06.78475	292 957
1921 Bank Airtight AS	-
1922 Valutakonto-Airtight	-
1924 Deposit account 6005.09.04833	647 835
1925 Nordea 6013 09 80441 Deposit	411
1926 1925 Eur konto AB	209 073
1930 DNB Savings account	25 767 111
1931 Bank 1208.49.35091 fixed interest	352 773
1932 DnB Garantikonto 1506 53 55636	160 038
1934 Zuora NOK 1506.70.00525	34 948
1935 Zuora Sek 1251.05.40326	1 719
1936 Zuora DKK 1251.05.40393	791
1937 Zuora Eur 1251.05.40415	120 379
1938 Zuora Gbp 1251.05.40423	2 861
1939 Zuora USD 1251.05.40431	4 097
1950 DnB 1503 07 73362 withholding tax	459 913
1951 withholding tax Airtight	-
1952 1951 Withholding tax Aithings AB	13 078
1960 10006 ·Stripe RENTAL	589
1961 USD accounts in Norway and US	1 550 714
1962 DNB GBP 1250.16.42655	1 524 324
1963 DNB EUR 1250.61.43495	520 175
1964 DNB CAD 1251.05.38011	2 214 470
1970 1900 10000 BMO Bank - Checking xx0442	454 273
1971 1910 10001 BMO Bank - MMA xx0450	542 135
1973 1920 10002 Paypal	2 702
1974 1930 10003 Stripe	4 304
1975 1975 Bank of America - 5588 Zuora INC	17 762
1976 1976 Bank of America - 5575 Operations I	423 477
1980 Checkräkningskonto-Airthings AB	283 669
Restricted cash	**34 325 713**
Unrestricted cash	**1 280 864**

Mapping	Classification	*Classification from Q1 2022 report (restricted/unrestricted)*
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, restricted	, restricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, restricted	, restricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
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Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	
Bank deposits, unrestricted	unrestricted	

Table 19 - Statement of cash flows		Year ended 31 December		
	2021	2020		2020
(Amounts in USD 1,000)	**IFRS**	**IFRS**	*Change*	**NGAAP**
Cash flow from operating activities	-15 879	-4 412	*-11 467*	-4 893
Cash flow from investing activities	-968	-1 914	*947*	-1 914
Cash flow from financing activities	-2 560	64 971	*-67 531*	65 422
Net change in cash and cash equivalents	**-19 407**	**58 644**	***-78 051***	**58 614**
Cash and cash equivalents end of period	**42 174**	**62 943**	***-20 769***	**62 943**

		Three months period ended 31 March		
2019 NGAAP	*Change*	2022 IAS 34	2021 IAS 34	*Change*
-3 810	*-1 083*	-6 400	-2 533	*-3 867*
-503	*-1 411*	-620	-210	*-410*
8 558	*56 864*	-126	-2 023	*1 897*
4 245	**54 369**	**-7 146**	**-4 766**	**-2 380**
5 589	**57 354**	**35 607**	**58 413**	**-22 806**

Table 13 - Consolidated statement of profit or loss	Three-month perioc	
(Amounts in USD thousands)	**2022**	
	IAS 34	***Change***
Total revenue and other operating income	**9 062**	**2 655**
Cost of goods sold	3 735	1 139
Employee benefit expenses	4 432	1 101
Other operating expenses	4 329	1 204
Operating profit or loss before depreciation and amortization (EBITDA)	- 3 434	- 789
Depreciation and amortization	375	85
Operating profit or loss (EBIT)	- 3 809	- 874
Net financial items	- 288	- 118
Income tax expense	- 966	772
Profit (loss) for the year	**- 3 131**	**168**

Table 14 - Consolidated statement of profit or loss	Year ended 31	
(Amounts in USD thousands)	**2021**	
	IFRS	***Change***
Total revenue and other operating income	**33 699**	**12 683**
Cost of goods sold	13 041	5 465
Employee benefit expenses	15 127	6 033
Other operating expenses	13 566	4 434
Operating profit or loss before depreciation and amortization (EBITDA)	- 8 035	- 3 249
Depreciation and amortization	1 335	599
Operating profit or loss (EBIT)	- 9 371	- 3 849
Net financial items	55	708
Income tax expense	- 2 055	4 099
Profit (loss) for the year	**- 7 261**	**- 3 130**

Table 15 - Consolidated statement of profit or loss	Year ended 31	
(Amounts in USD thousands)	**2020**	
	NGAAP	***Change***
Total revenue and other operating income	**22 941**	**6 552**
Cost of goods sold	7 576	3 123
Employee benefit expenses	9 094	3 176
Other operating expenses	11 510	3 694
Operating profit or loss before depreciation and amortization (EBITDA)	- 5 239	- 3 442
Depreciation and amortization	509	430
Operating profit or loss (EBIT)	- 5 748	- 3 872
Net financial items	- 504	- 414
Income tax expense	- 2 017	2 470
Profit (loss) for the year	**- 4 235**	**- 2 723**

‹d ended 31 March	
	2021
Change %	*IAS 34*
41 %	**6 407**
44 %	2 596
33 %	3 330
39 %	3 126
-30 % -	2 645
29 %	291
-30 % -	2 935
-70 % -	170
598 %	194
5 % -	**3 299**

l December	
	2020
Change %	*IFRS*
60 %	**21 016**
72 %	7 576
66 %	9 094
49 %	9 132
-68 % -	4 786
81 %	736
-70 % -	5 522
108 % -	653
1 % -	2 044
-76 % -	**4 131**

l December	
	2019
Change %	*NGAAP*
40 %	**16 389**
70 %	4 453
54 %	5 918
47 %	7 816
-191 % -	1 797
546 %	79
-206 % -	1 876
-463 % -	89
345 % -	453
-180 % -	**1 512**

Table 16 - Consolidated balance sheet	As at 31 March		As
	2022		
(Amounts in USD thousands)	*IAS 34*	***Change***	***Change%***
Total non-current assets	17 377	1 039	6 %
Total current assets	62 879	- 4 463	-7 %
Total assets	**80 256**	**- 3 424**	**-4 %**
Total equity	65 465	- 2 377	-4 %
Total non-current liabilities	4 317	- 575	-12 %
Total current liabilities	10 473	- 472	-4 %
Total liabilities	**14 791**	**- 1 047**	**-7 %**
Total equity and liabilities	**80 256**	**- 3 424**	**-4 %**

Table 17 - Consolidated balance sheet		As at 31 December	
	2021		
(Amounts in USD thousands)	*IFRS*	***Change***	***Change%***
Total non-current assets	16 339	2 040	14 %
Total current assets	67 342	- 9 336	-12 %
Total assets	**83 680**	**- 7 296**	**-8 %**
Total equity	67 842	- 8 806	-11 %
Total non-current liabilities	4 892	- 135	-3 %
Total current liabilities	10 946	1 646	18 %
Total liabilities	**15 838**	**1 511**	**11 %**
Total equity and liabilities	**83 680**	**- 7 296**	**-8 %**

Table 18 - Consolidated balance sheet		As at 31 December	
	2020		
(Amounts in USD thousands)	*NGAAP*	***Change***	***Change%***
Total non-current assets	10 234	9 005	732 %
Total current assets	76 678	61 524	406 %
Total assets	**86 912**	**70 529**	**430 %**
Total equity	77 367	66 257	596 %
Total non-current liabilities	1 785	- 253	-12 %
Total current liabilities	7 761	4 524	140 %
Total liabilities	**9 545**	**4 272**	**81 %**
Total equity and liabilities	**86 912**	**70 529**	**430 %**

; at 31 December
2021
IFRS
16 339
67 342
83 680
67 842
4 892
10 946
15 838
83 680

2020
IFRS
14 298
76 678
90 976
76 648
5 028
9 300
14 327
90 976

2019
NGAAP
1 230
15 154
16 383
11 109
2 037
3 236
5 274
16 383

Table 22.1 – Related party transactions	Year ended 31 December		
	2021	2020	2020
(Amounts in USD 1,000)	IFRS	IFRS	NGAAP
Income from related parties	6 088	2 146	2 146
Payments to related parties	2 583	2 937	2 937

Table 22.1 – Related party balances	As at 31 December		
	2021	2020	2020
(Amounts in USD 1,000)	IFRS	IFRS	NGAAP
Related party receivables	41	3	3

Three months period ended 31 March		
2019	2022	2021
NGAAP	IAS 34	IAS 34
1 677	1 587	1 105
966	684	608

As at 31 March		
2019	2022	2021
NGAAP	IAS 34	IAS 34
21	30	8

		2020
	NGAAP 2019	**KNOK**
	Receivables on subsidiary Airthings America INC	
Receivable Group	Long term loan to Airthings America INC	23 278
	Transactions with subsidiary Airthings America INC	
Income Group	Sale of goods to Airthings America INC	34 398
Payment Group	Purchase of services and cost allocation from Airthings America INC	1 093
Income Group	Loan interest	587
	Transactions with shareholders	
Payment to related parties	Fees invoiced from Rabakken Invest AS	
Payment to related parties	Commissions and accrued cost invoiced from Rn222 INC	
Income from related parties	Sale of goods to Rn222 INC	
Payment to related parties	Fees invoiced from Energy Control AS	
Payment to related parties	Rent of premises invoiced from Energy Control AS	
Income from related parties	Sale of goods to Energy Control AS	

2020 KUSD	2019 KNOK	2019 KUSD
2 728	6 834	778
3 659	17 031	1 935
116	13 189	1 498
62	296	34
	1 296	147
	6 033	685
	14 651	1 664
	1 171	133
	-	-
	116	13

1 677	Sum income
966	Sum payment
2 643	**Total**

Transactions with shareholders 1Q 22

Fees invoiced from Rabakken Invest AS			
Commissions and accrued cost invoiced from Rn222 IN	2 190 640,57	8,85	247 578,05
Sale of goods to Rn222 Inc	13 857 339,36	8,85	1 566 104,93
Fees invoiced from Eneergy Control AS			
Rent of premises from Energy Control AS	-	8,85	-
Sale of goods to Energy Control AS	180 907,50	8,85	20 445,49
Firda AS	236 923,00	8,85	26 776,16

Transactions with shareholders 1Q 21

Fees invoiced from Rabakken Invest AS			
Commissions and accrued cost invoiced from Rn222 IN	1 608 463,67	8,51	188 906,69
Sale of goods to Rn222 Inc	9 215 757,20	8,51	1 082 348,45
Fees invoiced from Eneergy Control AS			
Rent of premises from Energy Control AS	48 081,25	8,51	5 646,92
Sale of goods to Energy Control AS	195 226,25	8,51	22 928,43
Firda AS	-	8,51	-

Related party transactions in 1Q2022	**Executive management**
Income from related parties	
Payments to related parties	409 927

Related party transactions in 1Q2022	**Executive management**
Income from related parties	
Payments to related parties	413 520

	1Q22
Øyvind Birkenes	500 000
Magnus Navdal Bekkelund	322 500
Audhild Andersen Randa	361 667
Erlend Bolle	297 562
Lauren Pedersen	350 667
Torje Carlsson	329 208
Pål Berntsen	326 666
Erik Lundby	
Koki Yoshioka	
Jonas Olsson	
Alexander Sagen	

	Board Member	Other Shareholders	Total
		1 586 550	**1 586 550**
		274 354	**684 282**
			-

	Board Member	Other Shareholders	Total
		1 105 277	**1 105 277**
		194 554	**608 074**
			-

1Q21	Bonus Q1 2022	Bonus Q1 2021
412 500		
	78 000	
	250 000	
288 041	228 296	70 000
338 000	268 710	70 000
312 583	78 000	156 213
310 000	157 878	125 452
319 167		70 000
296 667		70 000
308 333		70 000
234 000	78 000	70 000

From file "PL Business Consumer Pro 2019-2021"

In KUSD	**2021**	**2020**	**2019**	**Growth 2021**	**Growth % 2021**
Consumer	26 064	19 188	15 257	6 876	36 %
Business	6 942	1 430	343	5 513	386 %
Professional	3 167	2 200	240	967	44 %
Total	**36 173**	**22 818**	**15 839**		

Growth 2020	Growth% 2020
3 931	26 %
1 087	317 %
1 961	818 %

EBITDA	Year ended 31 December			Three-m ended
(Amounts in USD thousands)	2021	2020	2019	2022
Revenue	33 671	20 893	15 824	9 062
EBITDA	**- 8 035**	**- 4 786**	**- 1 797**	**- 3 434**
EBITDA margin	**-24 %**	**-23 %**	**-11 %**	**-38 %**

EBITDA (USD 1,000)	2021	202
Revenue	33,671	20,89
EBITDA	**-8,035**	**-4,78**
EBITDA margin	**-24%**	**-23**

EBITDA (USD 1,000)	1Q 2022	1Q 20
Revenue	9,062	6,4
EBITDA	**-3,434**	**-2,6**
EBITDA margin	**-38%**	**-4**

ARR	Year ended 31 December			Three-m ended
(Amounts in USD thousands)	2021	2020	2019	2022
MRR (December/March)	239	94	27	262
ARR	**2 866**	**1 132**	**329**	**3 148**

(USD 1,000)	20
MRR December (as per IFRS financial statements)	2
ARR	**2,8**

(USD 1,000)	1
MRR March	
ARR	

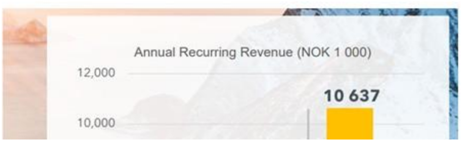
RE: MRR 2019

MB Magnus Bekkelund <magnus.bekkelund@airthings.com>

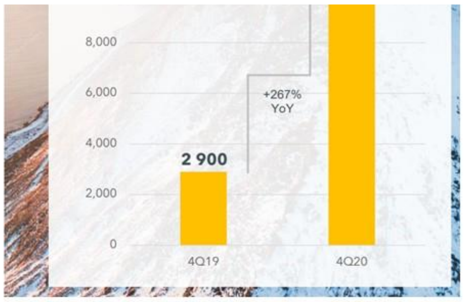
To Ragnhild Bergan Grimstad

Hei, bruk: 2 900 tnok / 12 months = 241.67 tnok

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



Gross profit margin	**Year ended 31 December**			**Three-m ended**
(Amounts in USD thousands)	**2021**	**2020**	**2019**	**2022**
Revenue	33 671	20 893	15 824	9 062
Cost of goods sold	13 041	7 576	4 453	3 735
Gross profit	**20 630**	**13 317**	**11 371**	**5 327**
EBITDA margin	**61 %**	**64 %**	**72 %**	**59 %**

Gross profit margin (USD 1,000)	**2021**
Revenue	33,671
Cost of goods sold	13,041
Gross profit	**20,630**
Gross profit margin	**61%**

Gross profit margin (USD 1,000)	**1Q 2022**
Revenue	9,062
Cost of goods sold	3,735
Gross profit	**5,327**
Gross profit margin	**59%**

ıonth period l 31 March
2021
6 407
- 2 645
-41 %

0
'3
6
%

21
407
45
1%

ıonth period l 31 March
2021
140
1 679

21	2020
239	94
66	1,132

Q 2022	1Q 2021
262	140
3,148	1,679

ıonth period l 31 March
2021
6 407
2 596
3 811
59 %

2020
20,893
7,576
13,317
64%

1Q 2021
6,407
2,596
3,811
59%

Other OPEX

Item	**2021 (IFRS)**	**2020 (IFRS)**	**Change USD**	**Change MUSD**
External services	4 538 075	2 896 803	1 641 272	1,6
Freight	1 372 839	738 430	634 409	0,6
Marketing	4 744 310	3 345 016	1 399 293	1,4
Offices	1 206 568	663 368	543 200	0,5
Other operating expenses	1 088 868	1 128 674	- 39 807	- 0,0
Software	615 406	360 129	255 277	0,3
Total	**13 566 065**	**9 132 420**	**4 433 645**	

	2020 (NGAAP)	**2019 (NGAAP)**	**Change USD**	**Change MUSD**
External services	2 896 803	2 526 368	370 435	0,4
Freight	751 871	643 935	107 936	0,1
Marketing	5 258 021	3 130 612	2 127 409	2,1
Offices	663 368	358 480	304 888	0,3
Other operating expenses	1 579 613	983 311	596 302	0,6
Software	360 129	172 816	187 313	0,2
Total	**11 509 806**	**7 815 523**	**3 694 283**	**3,7**

Item	**Q1 2022**	**Q1 2021**	***Change***	**Change MUSD**
External services	1 276 449	1 029 145	247 304	0,2
Freight	767 931	338 308	429 623	0,4
Marketing	1 433 290	1 127 303	305 987	0,3
Offices	337 239	246 454	90 785	0,1
Other operating expenses	263 327	268 399	- 5 072	- 0,0
Software	251 159	115 984	135 175	0,1
Total	**4 329 395**	**3 125 593**	1 203 802	**1,2**

Change%
57 %
86 %
42 %
82 %
-4 %
71 %

Change%
15 %
17 %
68 %
85 %
61 %
108 %

Change%
24 %
127 %
27 %
37 %
-2 %
117 %
39 %

Account	NOK	USD
1010 Mirego	3 671 960	418 204
1070 Deferred tax asset	4 477 159	509 910
1200 Equipment held for Rental	2 188 321	249 231
1201 Accumulated depriciation Rental	- 110 097	- 12 539
1291 Rental Equipment internal revenue eliminated	- 1 714 000	- 195 210
1250 Furniture and fixtures	744 101	84 747
1251 Depreciation Furnish/Equip	- 3 014	- 343
1270 Tools	1 110 537	126 481
1280 Office machines	8 122	925
1285 Visma.net	46 183	5 260
1290 Other fixture and similar assets	41 958	4 779
1390 Web development / Project expenses Wergelandsveien 7	336 616	38 338
1460 Finished goods ASA + Shipmonk INC	29 913 709	3 406 912
1461 Inventory Global INC	459 376	52 319
1465 Inventory Royal Bay INC	20 744	2 363
1491 IC inventory value INC	- 1 365 000	- 155 462
1500 Trade receivables	40 628 450	4 627 228
1502 Trade receivables Teller and Paypal	- 37 792	- 4 304
1505 Trade receivables Teller and Paypal	146 343	16 667
1580 Provision for loss on Trade receivables	-	-
1371 Cogs KIT invoiced, not accrued	16 117	1 836
1380 Receivables employees	180 317	20 537
1397 Advance payments	1 582 407	180 222
1550 Other short term receivables	993 799	113 185
1671 Skattefunn	5 000 000	569 457
1672 Innovation Norway	3 500 000	398 620
1700 Advance payment office rent	-	-
1740 Other prepaid costs	2 171 249	247 286
1742 Advance payment electricity, heat etc	-	-
1743 Advance payment Insurance	59 913	6 824
1920 DnB 1503.06.78475	1 813 683	206 563
1924 Deposit account 6005.09.04833	2 538 164	289 075
1925 Nordea 6013 09 80441 Deposit	3 598	410
1930 DNB Savings account	27 178 750	3 095 424
1931 Bank 1208.49.35091 fixed interest	3 075 152	350 233
1950 DnB 1503 07 73362 withholding tax	2 083 835	237 331
1961 USD accounts in Norway and US	5 615 717	639 581
1962 DNB GBP 1250.16.42655	2 217 536	252 558
1963 DNB EUR 1250.61.43495	4 550 609	518 275
2000 Share capital AS	- 567 729	- 64 659
2010 Treasury shares AS	2 614	298
2020 Share premium reserve AS	- 91 668 130	- 10 440 205
2031 Other paid-in capital ASA (share options)	- 5 587 039	- 636 315
2030 Other paid-in capital INC (Equity Group)	- 6 412	- 730
2050 Other equity AS	- 5 506 672	- 627 162

2090 Other Equity INC (Equity Group)		2 219 818		252 818
2091 Elimination Group Equity		-		-
2099 FX and elimation (Equity Group)		182 661		20 804
2070 Result YTD not allocated (=Group P&L YTD)		3 892 275		443 296
2080 32000 Retained Earnings (Equity Group)	-	505 398	-	57 560
2120 Deferred tax		-		-
2250 Innovation Norway	-	9 000 000	-	1 025 022
2260 Growth Loan DNB	-	8 888 892	-	1 012 368
2400 Trade payables	-	12 149 094	-	1 383 676
2500 Tax payable	-	38 796	-	4 419
2600 Withholding tax	-	2 064 330	-	235 109
2701 Utgående merverdiavgift høy sats		127 035		14 468
2702 Utgående merverdiavgift kjøp tjenester fra utlandet	-	236 816	-	26 971
2711 Inngående merverdiavgift høy sats		502 925		57 279
2713 Inngående merverdigavift middels sats		1 470		167
2715 Innførselsmerverdiavgift, høy sats	-	87 450	-	9 960
2740 VAT Norway		398 960		45 438
2750 VAT UK	-	297 241	-	33 853
2770 Social security fee, payable	-	1 054 647	-	120 115
2785 Social security on holiday pay	-	550 647	-	62 714
2930 Accrued payroll	-	3 632 370	-	413 695
2940 Holiday pay	-	3 905 292	-	444 779
2950 Accrued interest	-	54 241	-	6 178
2960 Accrued costs	-	3 927 470	-	447 305
2961 Accrued fees		-		-
2970 Revenue invoiced, not accrued	-	103 787	-	11 820
2971 KIT / Subscriptions	-	639 071	-	72 785
3000 Revenue (25% VAT)	-	24 235 853	-	2 752 923
3005 Returns / Allwance for Returns		1 560 110		177 211
3010 47000 Rental Equipment Income	-	2 031 614	-	230 769
3011 47002 Rental Equipment - Admin & Shipping fees	-	74 039	-	8 410
3019 Shipping	-	46 539	-	5 286
3100 Revenue (Non-VAT)	-	132 561 757	-	15 057 539
3119 Freight (export)	-	102 139	-	11 602
3180 Trade Discount / Promo / Allowance		2 311		262
3181 Cash discount		1 326 921		150 723
3280 Discount and other revenue reduction (Non VAT)		-		-
3950 Accrued revenue		13 111		1 489
3960 Provision for cash-discounts	-	44 400	-	5 043
3991 IC sale		16 882 889		1 917 708
3460 Norges Forskningsråd	-	1 309 003	-	148 688
3461 Innovation Norway	-	3 500 000	-	397 561
3900 Other operational revenue	-	161 087	-	18 298
4000 Innkjøp råvarer og halvfabrikata		15 535 721		1 764 685
4010 INC: Shipmonk Storage, freight & services		685 370		77 850
4060 INC: Admin and shipping fees		89 097		10 120
4070 Calibration required PRODUCT		-		-

4080 Beregningsgrunnlag for innførselsavgift	13 474 852	1 530 593
4081 Motkonto Beregningsgrunnlag for innførselsavgift	- 13 474 852	- 1 530 593
4300 Cost of goods sold (VAT)	271 376	30 825
4310 Cost of goods sold (Non-VAT)	36 476 814	4 143 360
4360 Freight, customs and freifht forwarding	1 432 806	162 751
4370 Deferred Cogs on KIT	- 16 117	- 1 831
4390 Change of goods in inventory	177 705	20 185
4391 IC Cogs	- 16 530 288	- 1 877 656
4393 Elimination of margin, sale of rental inventory	391 000	44 413
4400 Packaging	166 906	18 959
4500 External services, cogs-related	40 216	4 568
4392 inventory shrinkage /writeoff	15 406	1 750
4990 Change of goods in inventory	465 621	52 889
5000 Salary	34 044 884	3 867 119
5010 Bonus	3 726 839	423 327
5091 Accrued, not paid salary	1 279 085	145 290
5092 Holiday pay	3 905 293	443 598
5099 Share based payment - option costs	4 118 260	467 788
5245 EKOM services, reportable/taxable	106 431	12 089
5250 Group life insurance subject for Payroll tax	37 859	4 300
5254 Occupational injury insurance if reportable/taxable	1 401	159
5255 OTP - subject for Payroll tax	1 414 910	160 718
5260 Employee stock options	100 381	11 402
5280 Other reportable/taxable benefits	26 966	3 063
5290 Balancing account, group 52	- 2 034 629	- 231 111
5390 Other taxable benefit (per diem)	89 998	10 223
5400 Employment taxes (Social security tax)	5 337 850	606 320
5405 Employment taxes holiday pay	550 646	62 547
5500 Other benefit (cover of costs)	4 934	560
5501 Houserent employees	13 800	1 568
5502 Benefit canteen	360 857	40 989
5800 Refunded sickpay NAV	- 328 376	- 37 300
5900 Gifts to employees	35 158	3 994
5910 Canteen costs	837 745	95 159
5919 Canteen contribution	- 97 509	- 11 076
5920 Occupational injury insurance not subject for Payroll tax	-	-
5930 Group Life Insurance	50 372	5 722
5935 Travel insurance, Health insurance	13 686	1 555
5943 Pension (OTP) cost	1 414 910	160 718
5990 Other employee cost	716 116	81 343
6xxx Avskrivninger driftsmidler	693 956	78 826
6100 Freight, customs and freifht forwarding	3 708 124	421 202
6300 Premises rent	2 396 956	272 268
6320 Renovation, water etc on premises	-	-
6340 Electricity	109 883	12 482
6360 Cleaning	115 869	13 161
6390 Other premises expenses	21 484	2 440

6420 Rent of cloud based systems	1 185 295	134 636
6430 Rental other officemachines	16 596	1 885
6490 Other rental cost	63 324	7 193
6500 Tools / Laboratory Supplies	20 300	2 306
6540 Furniture and fixtures	1 215	138
6550 Operational materials	844 258	95 898
6551 Computer hardware	884 825	100 506
6552 Software, costs	47 292	5 372
6553 Software licence fees	288 832	32 808
6570 Work clothing	-	-
6700 Audit fee	268 000	30 442
6705 Bokkeeping fees	1 111 292	126 230
6725 Legal fees	46 902	5 328
6790 Other external services	12 111 139	1 375 690
6791 Other external services, foreign	8 293 563	942 056
6792 Handling fees, Amazon	1 960 875	222 734
6800 Office supplies	220 756	25 075
6810 Other computer costs	-	-
6820 Printed material	16 938	1 924
6840 Papers, publications, books	2 767	314
6860 Meetings and seminars, training	194 676	22 113
6890 Other office expenses	38 339	4 355
6900 Fixed phones	267 081	30 337
6902 Internet access	22 700	2 578
6907 Datacommunication	115 014	13 064
6940 Postage/courier (non-customer related)	-	-
7100 Car allowance, mileage reimbursement, reportable	35 477	4 030
7130 Travel expenses, reportable	4 252	483
7140 Travel expenses, not reportable allowance	3 069 563	348 668
7150 Diet, reportable	175 710	19 959
7300 Salescosts, giveaways	461 589	52 431
7310 Performance Marketing	2 757 497	313 221
7322 Marketing, Chain fees Amazon / abroad	4 605 949	523 185
7323 Marketing tools	934 813	106 184
7324 Web	2 362 531	268 357
7325 EU Channel Marketing	2 788 495	316 742
7326 US Channel Marketing	344 170	39 094
7330 Public relations	2 511 592	285 289
7340 Conferences	1 138 656	129 339
7350 Entertainment, tax deductable	188 830	21 449
7351 Partnerships/Sponsorships	342 565	38 912
7360 Entertainment, non tax deductable	11 132	1 264
7390 Other sales costs	436 513	49 583
7391 Other sales cost, Chain / Amazon	577 889	65 642
7392 Campaigns Amazon	8 098 689	919 921
7700 Agent Commissions	2 466 572	280 175
7400 Membership fee, tax decuctable	36 546	4 151

7420 Gaver, fradragsberettiget	-	-
7430 Gifts, non tax deductable	809	92
7500 Insurance	220 758	25 076
7550 Guarantee costs	-	-
7600 Licence fees	2	0
7601 Patent costs	410 437	46 621
7560 Calibration	93 800	10 655
7740 Net roundings differences	11	1
7770 Bank and creditcard fees	122 620	13 928
7771 Service fees, card company	469 251	53 302
7790 Other cost, tax deductable	344 262	39 104
7799 Avrundingskonto	3 053	347
7830 Realized bad debt, tax deductable	1 082 023	122 906
7839 Provision for bad debt	- 296 091	- 33 633
7798 Buffer	-	-
5998 Skattefunn	- 3 631 104	- 412 453
6798 Skattefunn	- 1 368 896	- 155 491
8041 Interest income, Group companies	0	0
8050 Other interest income	- 18 739	- 2 129
8051 Interest income, bank	- 335 758	- 38 138
8060 Gain on FX (=Net gain AS)	- 15 055 893	- 1 710 182
8061 Gain on FX revaluation from USD to NOK	10 751 653	1 221 268
8098 FX on intercompany loan	- 100 663	- 11 434
8150 Other interest expenses	5 720	650
8151 Loan interest Growth loan DNB	471 787	53 590
8152 Interest loan Innovation Norway	481 325	54 673
8160 Loss on FX (=net loss AS)	7 406 964	841 349
8170 Other financial expenses	3 473	395
8161 Loss on FX, revaluation from USD to NOK	- 2 822 736	- 320 631
8300 Tax Payable	24 919	2 831
8320 Change in Deferred Tax	- 4 016 647	- 456 246
8900 Adjustment of equity	- 364 082	- 41 356
8960 Transfer to other contributed reserves	- 12 947 953	- 1 470 743
Sum balanse	758	86
Sum resultat	-	0
Sum	758	86

Mapping	Mapping noter		KNOK **TB 2019**
		Revenues	139 311
		Other operating income	4 970
		Total revenue and other operating income	**144 281**
		Cost of goods sold	39 202
		Employee benefit expenses	52 097
		Other operating expenses	68 805
		EBITDA	**- 15 823**
		Depreciation and amortization	694
		Operating profit/loss	**- 16 517**
		Finance income	4 759
		Finance costs	5 547
		Net financial items	**- 787**
		Profit (loss) before tax	**- 17 304**
		Income tax expense	- 3 992
		Profit (loss) for the year	**- 13 312**
			0

Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
Revenues	Rental income	
Revenues	Rental income	
Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
	0	0
Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
Revenues	Revenue from contracts with customers	
Other operating income		
Other operating income		
Other operating income		
Cost of goods sold		
Cost of goods sold		
Cost of goods sold		
Cost of goods sold		

Cost of goods sold		
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Employee benefit expenses		
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Employee benefit expenses		
Employee benefit expenses		
Depreciation and amortization		
Other operating expenses	Freight	
Other operating expenses	Offices	
-		0
Other operating expenses	Offices	
Other operating expenses	Offices	
Other operating expenses	Offices	

Other operating expenses	Software
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Offices
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Software
Other operating expenses	Software
Other operating expenses	Other operating expenses
Other operating expenses	External services
Other operating expenses	External services
Other operating expenses	External services
Other operating expenses	External services
Other operating expenses	External services
Other operating expenses	Freight
Other operating expenses	Offices
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Offices
Other operating expenses	Offices
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Marketing
Other operating expenses	Marketing
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Other operating expenses	Marketing
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Other operating expenses	Marketing
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses

Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
-	
Other operating expenses	Software
Other operating expenses	External services
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Other operating expenses	Other operating expenses
Employee benefit expenses	Salaries
Other operating expenses	Other operating expenses
Finance income	0
Finance income	Interest income
Finance income	Interest income
Finance income	Foreign exchange gain
Finance income	Foreign exchange gain
Finance income	0
Finance costs	Interest expenses
Finance costs	Interest expenses
Finance costs	Interest expenses
Finance costs	Foreign exchange gain
Finance costs	Other finance costs
Finance costs	Foreign exchange gain
Income tax expense	0
Income tax expense	0
N/A	#I/T
N/A	0

KNOK

Avlagt regnskap 2019		*Differanse*			KUSD	
	139 472	-	161	*OK*		15 824
	4 809		161	*OK*		565
	144 281	-	0			**16 389**
	39 202	-	0			4 453
	47 979		4 118	Diff. er SBP expense		5 918
	68 805	-	0			7 816
-	**11 704**	-	4 118		**-**	**1 797**
	694		0			79
-	**12 398**	-	4 118		**-**	**1 876**
	4 374		386	*OK*		541
	5 161		386	*OK*		630
-	**787**	-	0		**-**	**89**
-	**13 185**	-	4 118		**-**	**1 966**
-	3 992	-	0		-	453
-	**9 194**	-	4 118		**-**	**1 512**
					-	**0**

Airthings Group
Org.nr.: Group2045
Regnskapsperiode: 01-2019 - 12-2019

Resultatregnskap - Driftsresultat spesifisert

		01-2018	01-2019	% avvik
Driftsinntekter				
3000	Revenue (25% VAT)	18 349 516,53	24 235 853,37	32%
3005	Returns / Allwance for Returns	0,00	-1 560 110,31	0%
3010	47000 Rental Equipment Income	947 871,41	2 031 614,09	114%
3011	47002 Rental Equipment - Admin & Shipping fees	80 988,25	74 039,12	-9%
3019	Shipping	38 497,68	46 539,19	21%
3100	Revenue (Non-VAT)	91 974 032,36	132 561 756,90	44%
3119	Freight (export)	102 260,88	102 138,89	0%
3180	Trade Discount / Promo / Allowance	0,00	-2 310,50	0%
3181	Cash discount	-495 829,32	-1 326 920,54	168%
3280	Discount and other revenue reduction (Non VAT)	-286 307,67	0,00	-100%
3950	Accrued revenue	-57 773,73	-13 111,17	-77%
3960	Provision for cash-discounts	-44 400,00	44 400,00	-200%
3991	IC sale	-16 253 928,00	-16 882 889,00	4%
	Sum salgsinntekter	**94 354 928,39**	**139 311 000,04**	**48%**
3460	Norges Forskningsråd	1 701 000,00	1 309 002,99	-23%
3461	Innovation Norway	2 100 000,00	3 500 000,04	67%
3900	Other operational revenue	403 644,41	161 087,49	-60%
	Sum andre driftsinntekter	4 204 644,41	4 970 090,52	18%
	Sum driftsinntekter	**98 559 572,80**	**144 281 090,56**	**46%**
Varekostnader				
4000	Innkjøp råvarer og halvfabrikata	12 226 428,57	15 535 720,69	27%
4010	INC: Shipmonk Storage, freight & services	259 795,44	685 369,89	164%
4060	INC: Admin and shipping fees	94 391,77	89 096,88	-6%
4070	Calibration required PRODUCT	6 803,27	0,00	-100%
4080	Beregningsgrunnlag for innførselsavgift	0,00	13 474 852,00	0%
4081	Motkonto Beregningsgrunnlag for innførselsavgift	0,00	-13 474 852,00	0%
4300	Cost of goods sold (VAT)	1 040 102,32	271 375,85	-74%
4310	Cost of goods sold (Non-VAT)	26 287 206,39	36 476 813,72	39%
4360	Freight, customs and freifht forwarding	740 481,70	1 432 806,34	93%
4370	Deferred Cogs on KIT	0,00	-16 117,00	0%
4390	Change of goods in inventory	1 079 876,72	177 704,73	-84%
4391	IC Cogs	-13 593 330,41	-16 530 287,62	22%
4393	Elimination of margin, sale of rental inventory	0,00	391 000,00	0%
4400	Packaging	124 054,08	166 905,98	35%
4500	External services, cogs-related	11 382,00	40 216,35	253%
4392	inventory shrinkage /writeoff	0,00	15 406,12	0%
4990	Change of goods in inventory	-982 407,88	465 620,88	-147%
	Sum varekostnader	**27 294 783,97**	**39 201 632,81**	**44%**
Lønnskostnader				
5000	Salary	23 799 648,89	34 044 884,12	43%
5010	Bonus	352 366,38	3 726 838,64	958%
5091	Accrued, not paid salary	422 268,00	1 279 084,76	203%
5092	Holiday pay	2 608 932,80	3 905 293,00	50%

5099	Share based payment - option costs	0,00	4 118 259,85	0%
5245	EKOM services, reportable/taxable	69 173,27	106 431,26	54%
5250	Group life insurance subject for Payroll tax	28 920,00	37 859,00	31%
5254	Occupational injury insurance if reportable/taxable	0,00	1 401,00	0%
5255	OTP - subject for Payroll tax	800 752,00	1 414 910,00	77%
5260	Employee stock options	476 406,73	100 380,60	-79%
5280	Other reportable/taxable benefits	18 784,00	26 966,00	44%
5290	Balancing account, group 52	-1 637 608,11	-2 034 628,61	24%
5390	Other taxable benefit (per diem)	16 453,00	89 998,00	447%
5400	Employment taxes (Social security tax)	3 633 517,65	5 337 850,18	47%
5405	Employment taxes holiday pay	367 402,80	550 646,18	50%
5500	Other benefit (cover of costs)	-773,88	4 933,93	-738%
5501	Houserent employees	23 000,00	13 800,00	-40%
5502	Benefit canteen	254 821,95	360 857,31	42%
5800	Refunded sickpay NAV	-12 816,00	-328 376,00	2 462%
5900	Gifts to employees	34 401,65	35 158,29	2%
5910	Canteen costs	692 302,26	837 745,46	21%
5919	Canteen contribution	-69 235,48	-97 509,40	41%
5920	Occupational injury insurance not subject for Payroll tax	3 614,82	0,00	-100%
5930	Group Life Insurance	37 148,60	50 371,70	36%
5935	Travel insurance, Health insurance	0,00	13 686,00	0%
5943	Pension (OTP) cost	939 781,82	1 414 910,00	51%
5990	Other employee cost	559 585,04	716 116,36	28%
	Sum lønnskostnader	**33 418 848,19**	**55 727 867,63**	**67%**
Av- og nedskrivninger driftsmiddel				
	Avskrivninger driftsmidler	509 317,35	693 956,35	36%
	Sum avskrivninger driftsmidler	**509 317,35**	**693 956,35**	**36%**
	Sum av- og nedskrivninger driftsmiddel	**509 317,35**	**693 956,35**	**36%**
Annen driftskostnad				
6100	Freight, customs and freifht forwarding	2 112 986,34	3 708 124,43	75%
6300	Premises rent	1 998 414,37	2 396 956,39	20%
6320	Renovation, water etc on premises	1 552,00	0,00	-100%
6340	Electricity	24 249,66	109 883,25	353%
6360	Cleaning	96 354,76	115 868,88	20%
6390	Other premises expenses	9 158,07	21 484,42	135%
6420	Rent of cloud based systems	502 321,39	1 185 295,24	136%
6430	Rental other officemachines	11 787,10	16 596,17	41%
6490	Other rental cost	9 375,00	63 323,58	575%
6500	Tools / Laboratory Supplies	233 637,97	20 300,35	-91%
6540	Furniture and fixtures	6 289,45	1 215,25	-81%
6550	Operational materials	751 749,48	844 257,84	12%
6551	Computer hardware	457 764,42	884 825,29	93%
6552	Software, costs	1 705,63	47 292,18	2 673%
6553	Software licence fees	167 268,47	288 831,87	73%
6570	Work clothing	3 374,80	0,00	-100%
6700	Audit fee	203 999,78	268 000,00	31%
6705	Bokkeeping fees	830 833,71	1 111 292,40	34%
6725	Legal fees	216 524,50	46 902,00	-78%
6790	Other external services	5 471 646,44	12 111 138,56	121%
6791	Other external services, foreign	5 244 299,12	8 293 562,81	58%
6792	Handling fees, Amazon	454 774,00	1 960 875,25	331%
6800	Office supplies	107 452,64	220 756,05	105%
6810	Other computer costs	2 838,12	0,00	-100%

6820	Printed material	19 148,96	16 937,74	-12%
6840	Papers, publications, books	774,20	2 766,98	257%
6860	Meetings and seminars, training	293 212,02	194 676,26	-34%
6890	Other office expenses	27 755,07	38 338,93	38%
6900	Fixed phones	189 664,86	267 081,35	41%
6902	Internet access	22 400,00	22 700,00	1%
6907	Datacommunication	8 874,68	115 013,61	1 196%
6940	Postage/courier (non-customer related)	14 112,14	0,00	-100%
7100	Car allowance, mileage reimbursement, reportable	17 560,74	35 477,15	102%
7130	Travel expenses, reportable	31 133,23	4 252,18	-86%
7140	Travel expenses, not reportable allowance	1 691 341,55	3 069 563,29	81%
7150	Diet, reportable	145 384,70	175 710,00	21%
7300	Salescosts, giveaways	199 253,69	461 589,32	132%
7310	Performance Marketing	2 473 164,46	2 757 497,33	11%
7322	Marketing, Chain fees Amazon / abroad	1 954 779,11	4 605 949,24	136%
7323	Marketing tools	732 080,77	934 812,51	28%
7324	Web	47 502,44	2 362 530,84	4 873%
7325	EU Channel Marketing	70 660,59	2 788 495,48	3 846%
7326	US Channel Marketing	1 227 034,38	344 170,09	-72%
7330	Public relations	1 648 525,96	2 511 592,39	52%
7340	Conferences	636 983,94	1 138 656,28	79%
7350	Entertainment, tax deductable	132 793,06	188 830,29	42%
7351	Partnerships/Sponsorships	219 936,82	342 564,89	56%
7360	Entertainment, non tax deductable	21 623,00	11 132,22	-49%
7390	Other sales costs	96 904,04	436 512,83	350%
7391	Other sales cost, Chain / Amazon	3 348 778,63	577 888,77	-83%
7392	Campaigns Amazon	1 863 752,54	8 098 688,81	335%
7700	Agent Commissions	123 277,32	2 466 572,42	1 901%
7400	Membership fee, tax decuctable	25 737,08	36 545,67	42%
7420	Gaver, fradragsberettiget	1 163,00	0,00	-100%
7430	Gifts, non tax deductable	0,00	809,32	0%
7500	Insurance	120 626,65	220 757,86	83%
7550	Guarantee costs	733 390,23	0,00	-100%
7600	Licence fees	136 389,19	1,52	-100%
7601	Patent costs	264 810,78	410 437,40	55%
7560	Calibration	0,00	93 800,00	0%
7740	Net roundings differences	314,78	10,96	-97%
7770	Bank and creditcard fees	118 736,91	122 620,30	3%
7771	Service fees, card company	433 925,60	469 251,29	8%
7790	Other cost, tax deductable	-25 022,47	344 261,99	-1 476%
7799	Avrundingskonto	956,64	3 053,26	219%
7830	Realized bad debt, tax deductable	276 263,64	1 082 022,94	292%
7839	Provision for bad debt	0,00	-296 091,35	0%
7798	Buffer	0,00	0,00	0%
	Sum andre driftskostnader	**38 266 062,15**	**70 174 264,57**	**83%**
	Sum driftskostnader	**99 489 011,66**	**165 797 721,36**	**67%**
5998	Skattefunn	-3 365 531,00	-3 631 104,00	8%
6798	Skattefunn	-1 022 518,80	-1 368 896,00	34%
	Driftsresultat	**3 458 610,94**	**-16 516 630,80**	**-578%**

Finans inntekter og kostnader

8041	Interest income, Group companies	0,00	-0,10	0%
8050	Other interest income	6 549,35	18 739,10	186%
8051	Interest income, bank	67 529,82	335 757,90	397%
8060	Gain on FX (=Net gain AS)	3 765 872,98	15 055 893,19	300%
8061	Gain on FX revaluation from USD to NOK	24 048,00	-10 751 652,83	-44 809%

8098	FX on intercompany loan	-535 350,00	100 663,33	-119%
	Sum finansinntekter	**3 328 650,15**	**4 759 400,59**	**43%**
8150	Other interest expenses	0,00	5 720,43	0%
8151	Loan interest Growth loan DNB	0,00	471 786,91	0%
8152	Interest loan Innovation Norway	0,00	481 325,00	0%
8160	Loss on FX (=net loss AS)	2 697 116,88	7 406 963,84	175%
8170	Other financial expenses	0,00	3 473,17	0%
8161	Loss on FX, revaluation from USD to NOK	0,00	-2 822 736,34	0%
	Sum Finanskostnader	**2 697 116,88**	**5 546 533,01**	**106%**
	Netto finans	**631 533,27**	**-787 132,42**	**-225%**
	Ordinært resultat før skattekostnad	**4 090 144,21**	**-17 303 763,22**	**-523%**
8300	Tax Payable	372 003,00	24 918,87	-93%
8320	Change in Deferred Tax	-317 888,00	-4 016 647,00	1 164%
	Netto skattekostnad	**-54 115,00**	**3 991 728,13**	**-7 476%**
	Ordinært resultat etter skattekostnad	**4 036 029,21**	**-13 312 035,09**	**-430%**
	Årsresultat (+ oversk. / - tap)	**4 036 029,21**	**-13 312 035,09**	**-430%**
	Årsresultat etter minoritetsinteresser	**4 036 029,21**	**-13 312 035,09**	**-430%**
8900	Adjustment of equity	868 632,59	-364 082,43	-142%
8960	Transfer to other contributed reserves	5 791 091,02	-9 055 677,49	-256%
	Sum overføringer og disponeringer	**6 659 723,61**	**-9 419 759,92**	**-241%**

HIÅ-01-2018	01-2019	% avvik
18 349 516,53	24 235 853,37	32%
0,00	-1 560 110,31	0%
947 871,41	2 031 614,09	114%
80 988,25	74 039,12	-9%
38 497,68	46 539,19	21%
91 974 032,36	132 561 756,90	44%
102 260,88	102 138,89	0%
0,00	-2 310,50	0%
-495 829,32	-1 326 920,54	168%
-286 307,67	0,00	-100%
-57 773,73	-13 111,17	-77%
-44 400,00	44 400,00	-200%
-16 253 928,00	-16 882 889,00	4%
94 354 928,39	**139 311 000,04**	**48%**
1 701 000,00	1 309 002,99	-23%
2 100 000,00	3 500 000,04	67%
403 644,41	161 087,49	-60%
4 204 644,41	4 970 090,52	18%
98 559 572,80	**144 281 090,56**	**46%**
12 226 428,57	15 535 720,69	27%
259 795,44	685 369,89	164%
94 391,77	89 096,88	-6%
6 803,27	0,00	-100%
0,00	13 474 852,00	0%
0,00	-13 474 852,00	0%
1 040 102,32	271 375,85	-74%
26 287 206,39	36 476 813,72	39%
740 481,70	1 432 806,34	93%
0,00	-16 117,00	0%
1 079 876,72	177 704,73	-84%
-13 593 330,41	-16 530 287,62	22%
0,00	391 000,00	0%
124 054,08	166 905,98	35%
11 382,00	40 216,35	253%
0,00	15 406,12	0%
-982 407,88	465 620,88	-147%
27 294 783,97	**39 201 632,81**	**44%**
23 799 648,89	34 044 884,12	43%
352 366,38	3 726 838,64	958%
422 268,00	1 279 084,76	203%
2 608 932,80	3 905 293,00	50%

0,00	4 118 259,85	0%
69 173,27	106 431,26	54%
28 920,00	37 859,00	31%
0,00	1 401,00	0%
800 752,00	1 414 910,00	77%
476 406,73	100 380,60	-79%
18 784,00	26 966,00	44%
-1 637 608,11	-2 034 628,61	24%
16 453,00	89 998,00	447%
3 633 517,65	5 337 850,18	47%
367 402,80	550 646,18	50%
-773,88	4 933,93	-738%
23 000,00	13 800,00	-40%
254 821,95	360 857,31	42%
-12 816,00	-328 376,00	2 462%
34 401,65	35 158,29	2%
692 302,26	837 745,46	21%
-69 235,48	-97 509,40	41%
3 614,82	0,00	-100%
37 148,60	50 371,70	36%
0,00	13 686,00	0%
939 781,82	1 414 910,00	51%
559 585,04	716 116,36	28%
33 418 848,19	**55 727 867,63**	**67%**
509 317,35	693 956,35	36%
509 317,35	**693 956,35**	**36%**
509 317,35	**693 956,35**	**36%**
2 112 986,34	3 708 124,43	75%
1 998 414,37	2 396 956,39	20%
1 552,00	0,00	-100%
24 249,66	109 883,25	353%
96 354,76	115 868,88	20%
9 158,07	21 484,42	135%
502 321,39	1 185 295,24	136%
11 787,10	16 596,17	41%
9 375,00	63 323,58	575%
233 637,97	20 300,35	-91%
6 289,45	1 215,25	-81%
751 749,48	844 257,84	12%
457 764,42	884 825,29	93%
1 705,63	47 292,18	2 673%
167 268,47	288 831,87	73%
3 374,80	0,00	-100%
203 999,78	268 000,00	31%
830 833,71	1 111 292,40	34%
216 524,50	46 902,00	-78%
5 471 646,44	12 111 138,56	121%
5 244 299,12	8 293 562,81	58%
454 774,00	1 960 875,25	331%
107 452,64	220 756,05	105%
2 838,12	0,00	-100%

19 148,96	16 937,74	-12%
774,20	2 766,98	257%
293 212,02	194 676,26	-34%
27 755,07	38 338,93	38%
189 664,86	267 081,35	41%
22 400,00	22 700,00	1%
8 874,68	115 013,61	1 196%
14 112,14	0,00	-100%
17 560,74	35 477,15	102%
31 133,23	4 252,18	-86%
1 691 341,55	3 069 563,29	81%
145 384,70	175 710,00	21%
199 253,69	461 589,32	132%
2 473 164,46	2 757 497,33	11%
1 954 779,11	4 605 949,24	136%
732 080,77	934 812,51	28%
47 502,44	2 362 530,84	4 873%
70 660,59	2 788 495,48	3 846%
1 227 034,38	344 170,09	-72%
1 648 525,96	2 511 592,39	52%
636 983,94	1 138 656,28	79%
132 793,06	188 830,29	42%
219 936,82	342 564,89	56%
21 623,00	11 132,22	-49%
96 904,04	436 512,83	350%
3 348 778,63	577 888,77	-83%
1 863 752,54	8 098 688,81	335%
123 277,32	2 466 572,42	1 901%
25 737,08	36 545,67	42%
1 163,00	0,00	-100%
0,00	809,32	0%
120 626,65	220 757,86	83%
733 390,23	0,00	-100%
136 389,19	1,52	-100%
264 810,78	410 437,40	55%
0,00	93 800,00	0%
314,78	10,96	-97%
118 736,91	122 620,30	3%
433 925,60	469 251,29	8%
-25 022,47	344 261,99	-1 476%
956,64	3 053,26	219%
276 263,64	1 082 022,94	292%
0,00	-296 091,35	0%
0,00	0,00	0%
38 266 062,15	**70 174 264,57**	**83%**
99 489 011,66	**165 797 721,36**	**67%**
-3 365 531,00	-3 631 104,00	8%
-1 022 518,80	-1 368 896,00	34%
3 458 610,94	**-16 516 630,80**	**-578%**
0,00	-0,10	0%
6 549,35	18 739,10	186%
67 529,82	335 757,90	397%
3 765 872,98	15 055 893,19	300%
24 048,00	-10 751 652,83	-44 809%

-535 350,00	100 663,33	-119%
3 328 650,15	**4 759 400,59**	**43%**
0,00	5 720,43	0%
0,00	471 786,91	0%
0,00	481 325,00	0%
2 697 116,88	7 406 963,84	175%
0,00	3 473,17	0%
0,00	-2 822 736,34	0%
2 697 116,88	**5 546 533,01**	**106%**
631 533,27	**-787 132,42**	**-225%**
4 090 144,21	**-17 303 763,22**	**-523%**
372 003,00	24 918,87	-93%
-317 888,00	-4 016 647,00	1 164%
-54 115,00	**3 991 728,13**	**-7 476%**
4 036 029,21	**-13 312 035,09**	**-430%**
4 036 029,21	**-13 312 035,09**	**-430%**
4 036 029,21	**-13 312 035,09**	**-430%**
868 632,59	-364 082,43	-142%
5 791 091,02	-9 055 677,49	-256%
6 659 723,61	**-9 419 759,92**	**-241%**

Date	NOK/USD
31.12.2019	8,7803
31.12.2020	8,5326
02.01.2019	8,6960
31.12.2018	8,6885
2019 P&L avg.	8,8037
2020 P&L avg.	9,4004

Data from Norges bank

Date	Rate NOK/USD
2020-01-02	8,7919
2020-01-03	8,8199
2020-01-06	8,7983
2020-01-07	8,821
2020-01-08	8,8626
2020-01-09	8,8807
2020-01-10	8,9032
2020-01-13	8,894
2020-01-14	8,8997
2020-01-15	8,8691
2020-01-16	8,869
2020-01-17	8,9026
2020-01-20	8,9143
2020-01-21	8,9393
2020-01-22	8,9818
2020-01-23	8,9873
2020-01-24	9,0054
2020-01-27	9,1032
2020-01-28	9,1557
2020-01-29	9,1413
2020-01-30	9,2246
2020-01-31	9,2194
2020-02-03	9,2707
2020-02-04	9,2277
2020-02-05	9,1784
2020-02-06	9,2055
2020-02-07	9,2691
2020-02-10	9,2401
2020-02-11	9,2609
2020-02-12	9,2033
2020-02-13	9,2404
2020-02-14	9,2472
2020-02-17	9,2638
2020-02-18	9,3272
2020-02-19	9,2757
2020-02-20	9,31

2020-02-21	9,3392
2020-02-24	9,3666
2020-02-25	9,3727
2020-02-26	9,3897
2020-02-27	9,3869
2020-02-28	9,4642
2020-03-02	9,3547
2020-03-03	9,2946
2020-03-04	9,263
2020-03-05	9,2706
2020-03-06	9,261
2020-03-09	9,5059
2020-03-10	9,52
2020-03-11	9,5764
2020-03-12	10,1141
2020-03-13	9,9933
2020-03-16	10,2864
2020-03-17	10,4774
2020-03-18	10,7015
2020-03-19	11,4031
2020-03-20	11,3211
2020-03-23	11,3668
2020-03-24	11,0435
2020-03-25	10,8751
2020-03-26	10,4975
2020-03-27	10,6184
2020-03-30	10,5934
2020-03-31	10,5057
2020-04-01	10,304
2020-04-02	10,3012
2020-04-03	10,443
2020-04-06	10,5528
2020-04-07	10,1925
2020-04-08	10,2971
2020-04-14	10,3182
2020-04-15	10,502
2020-04-16	10,4836
2020-04-17	10,3909
2020-04-20	10,3773
2020-04-21	10,5973
2020-04-22	10,7458
2020-04-23	10,6911
2020-04-24	10,6282
2020-04-27	10,5522
2020-04-28	10,3689
2020-04-29	10,3973
2020-04-30	10,2832
2020-05-04	10,3528
2020-05-05	10,3043
2020-05-06	10,2619

2020-05-07	10,2388
2020-05-08	10,2089
2020-05-11	10,2051
2020-05-12	10,1785
2020-05-13	10,0579
2020-05-14	10,2481
2020-05-15	10,2397
2020-05-18	10,124
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2020-05-20	9,9256
2020-05-22	10,0035
2020-05-25	10,0236
2020-05-26	9,9265
2020-05-27	9,852
2020-05-28	9,8541
2020-05-29	9,6875
2020-06-02	9,5577
2020-06-03	9,5388
2020-06-04	9,4265
2020-06-05	9,303
2020-06-08	9,2692
2020-06-09	9,334
2020-06-10	9,2644
2020-06-11	9,4466
2020-06-12	9,5962
2020-06-15	9,6769
2020-06-16	9,4967
2020-06-17	9,5308
2020-06-18	9,5422
2020-06-19	9,5571
2020-06-22	9,6303
2020-06-23	9,4844
2020-06-24	9,5707
2020-06-25	9,7096
2020-06-26	9,7075
2020-06-29	9,6608
2020-06-30	9,7446
2020-07-01	9,6193
2020-07-02	9,4695
2020-07-03	9,5131
2020-07-06	9,3791
2020-07-07	9,4267
2020-07-08	9,4706
2020-07-09	9,361
2020-07-10	9,5036
2020-07-13	9,4139
2020-07-14	9,4163
2020-07-15	9,2865
2020-07-16	9,2998
2020-07-17	9,275

2020-07-20	9,2645
2020-07-21	9,1701
2020-07-22	9,0985
2020-07-23	9,1687
2020-07-24	9,2137
2020-07-27	9,0717
2020-07-28	9,1269
2020-07-29	9,0894
2020-07-30	9,1299
2020-07-31	9,0583
2020-08-03	9,1411
2020-08-04	9,1431
2020-08-05	8,9915
2020-08-06	8,9959
2020-08-07	9,0068
2020-08-10	9,036
2020-08-11	8,967
2020-08-12	8,9596
2020-08-13	8,886
2020-08-14	8,9226
2020-08-17	8,8686
2020-08-18	8,8199
2020-08-19	8,8373
2020-08-20	8,9509
2020-08-21	8,9993
2020-08-24	8,9633
2020-08-25	8,946
2020-08-26	8,9578
2020-08-27	8,9089
2020-08-28	8,7872
2020-08-31	8,7563
2020-09-01	8,7076
2020-09-02	8,7733
2020-09-03	8,9152
2020-09-04	8,9316
2020-09-07	8,9186
2020-09-08	9,055
2020-09-09	9,1013
2020-09-10	9,0193
2020-09-11	9,0289
2020-09-14	9,0041
2020-09-15	8,9945
2020-09-16	8,9821
2020-09-17	9,0903
2020-09-18	9,088
2020-09-21	9,2339
2020-09-22	9,3295
2020-09-23	9,4028
2020-09-24	9,534
2020-09-25	9,5793

2020-09-28	9,4756
2020-09-29	9,4465
2020-09-30	9,4814
2020-10-01	9,2812
2020-10-02	9,2958
2020-10-05	9,2501
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2020-10-08	9,268
2020-10-09	9,2092
2020-10-12	9,147
2020-10-13	9,1561
2020-10-14	9,21
2020-10-15	9,3758
2020-10-16	9,3323
2020-10-19	9,2889
2020-10-20	9,2886
2020-10-21	9,2233
2020-10-22	9,2484
2020-10-23	9,2087
2020-10-26	9,2618
2020-10-27	9,1614
2020-10-28	9,3539
2020-10-29	9,5262
2020-10-30	9,4837
2020-11-02	9,5372
2020-11-03	9,4089
2020-11-04	9,3493
2020-11-05	9,1523
2020-11-06	9,1999
2020-11-09	9,013
2020-11-10	9,0293
2020-11-11	9,0747
2020-11-12	9,1305
2020-11-13	9,1513
2020-11-16	9,071
2020-11-17	9,0627
2020-11-18	9,0255
2020-11-19	9,0348
2020-11-20	8,987
2020-11-23	8,9827
2020-11-24	8,9986
2020-11-25	8,872
2020-11-26	8,8828
2020-11-27	8,8601
2020-11-30	8,8155
2020-12-01	8,8593
2020-12-02	8,8681
2020-12-03	8,8116
2020-12-04	8,767

2020-12-07	8,7672
2020-12-08	8,7736
2020-12-09	8,7342
2020-12-10	8,832
2020-12-11	8,8206
2020-12-14	8,7019
2020-12-15	8,743
2020-12-16	8,679
2020-12-17	8,5755
2020-12-18	8,5784
2020-12-21	8,7503
2020-12-22	8,6558
2020-12-23	8,7324
2020-12-28	8,6515
2020-12-29	8,6059
2020-12-30	8,5881
2020-12-31	8,5326
2019-01-02	8,696
2019-01-03	8,734
2019-01-04	8,6511
2019-01-07	8,5643
2019-01-08	8,5446
2019-01-09	8,5262
2019-01-10	8,4519
2019-01-11	8,4608
2019-01-14	8,5348
2019-01-15	8,5447
2019-01-16	8,5484
2019-01-17	8,5627
2019-01-18	8,5264
2019-01-21	8,5758
2019-01-22	8,5986
2019-01-23	8,583
2019-01-24	8,5776
2019-01-25	8,5532
2019-01-28	8,5234
2019-01-29	8,4954
2019-01-30	8,4818
2019-01-31	8,4108
2019-02-01	8,4286
2019-02-04	8,4779
2019-02-05	8,4726
2019-02-06	8,5061
2019-02-07	8,5723
2019-02-08	8,6103
2019-02-11	8,6825
2019-02-12	8,6712
2019-02-13	8,6342
2019-02-14	8,6604
2019-02-15	8,6758

2019-02-18	8,6077
2019-02-19	8,6294
2019-02-20	8,5818
2019-02-21	8,6144
2019-02-22	8,6219
2019-02-25	8,5971
2019-02-26	8,6018
2019-02-27	8,53
2019-02-28	8,5203
2019-03-01	8,545
2019-03-04	8,6119
2019-03-05	8,6524
2019-03-06	8,6723
2019-03-07	8,6825
2019-03-08	8,7982
2019-03-11	8,6891
2019-03-12	8,6355
2019-03-13	8,6035
2019-03-14	8,6016
2019-03-15	8,5674
2019-03-18	8,5223
2019-03-19	8,5178
2019-03-20	8,5358
2019-03-21	8,4463
2019-03-22	8,5315
2019-03-25	8,5289
2019-03-26	8,5376
2019-03-27	8,6094
2019-03-28	8,6807
2019-03-29	8,5972
2019-04-01	8,5778
2019-04-02	8,6112
2019-04-03	8,558
2019-04-04	8,5844
2019-04-05	8,6006
2019-04-08	8,5635
2019-04-09	8,5298
2019-04-10	8,5021
2019-04-11	8,5125
2019-04-12	8,4816
2019-04-15	8,4874
2019-04-16	8,4802
2019-04-17	8,4752
2019-04-23	8,5233
2019-04-24	8,5708
2019-04-25	8,6881
2019-04-26	8,6817
2019-04-29	8,6891
2019-04-30	8,6181
2019-05-02	8,6916

2019-05-03	8,7658
2019-05-06	8,7423
2019-05-07	8,7264
2019-05-08	8,7739
2019-05-09	8,7615
2019-05-10	8,7438
2019-05-13	8,7281
2019-05-14	8,7288
2019-05-15	8,7636
2019-05-16	8,7042
2019-05-20	8,7739
2019-05-21	8,7728
2019-05-22	8,7367
2019-05-23	8,7569
2019-05-24	8,7207
2019-05-27	8,709
2019-05-28	8,6816
2019-05-29	8,7603
2019-05-31	8,7808
2019-06-03	8,7419
2019-06-04	8,7033
2019-06-05	8,6824
2019-06-06	8,7061
2019-06-07	8,6901
2019-06-11	8,6307
2019-06-12	8,6391
2019-06-13	8,6562
2019-06-14	8,6754
2019-06-17	8,718
2019-06-18	8,7418
2019-06-19	8,728
2019-06-20	8,5503
2019-06-21	8,5596
2019-06-24	8,4819
2019-06-25	8,505
2019-06-26	8,5137
2019-06-27	8,5174
2019-06-28	8,5183
2019-07-01	8,5336
2019-07-02	8,5581
2019-07-03	8,5534
2019-07-04	8,531
2019-07-05	8,5546
2019-07-08	8,6349
2019-07-09	8,6553
2019-07-10	8,639
2019-07-11	8,5355
2019-07-12	8,5495
2019-07-15	8,5387
2019-07-16	8,5479

2019-07-17	8,5796
2019-07-18	8,5983
2019-07-19	8,5639
2019-07-22	8,5845
2019-07-23	8,6646
2019-07-24	8,6495
2019-07-25	8,6422
2019-07-26	8,7011
2019-07-29	8,718
2019-07-30	8,7294
2019-07-31	8,7685
2019-08-01	8,8901
2019-08-02	8,9236
2019-08-05	8,9179
2019-08-06	8,8983
2019-08-07	8,9234
2019-08-08	8,9502
2019-08-09	8,8934
2019-08-12	8,9336
2019-08-13	8,918
2019-08-14	8,9413
2019-08-15	8,9816
2019-08-16	8,9972
2019-08-19	8,9758
2019-08-20	8,9958
2019-08-21	8,9394
2019-08-22	8,9678
2019-08-23	9,0007
2019-08-26	8,9846
2019-08-27	8,9986
2019-08-28	9,0328
2019-08-29	9,0648
2019-08-30	9,0957
2019-09-02	9,0981
2019-09-03	9,1606
2019-09-04	9,0614
2019-09-05	8,9828
2019-09-06	8,9988
2019-09-09	8,9425
2019-09-10	8,9787
2019-09-11	8,9744
2019-09-12	8,9887
2019-09-13	8,9413
2019-09-16	8,9786
2019-09-17	8,9529
2019-09-18	8,9482
2019-09-19	8,9369
2019-09-20	9,0139
2019-09-23	9,0781
2019-09-24	9,018

2019-09-25	9,043
2019-09-26	9,0725
2019-09-27	9,0677
2019-09-30	9,0874
2019-10-01	9,1267
2019-10-02	9,1469
2019-10-03	9,1467
2019-10-04	9,1006
2019-10-07	9,132
2019-10-08	9,1435
2019-10-09	9,1547
2019-10-10	9,1147
2019-10-11	9,0895
2019-10-14	9,1073
2019-10-15	9,1445
2019-10-16	9,2032
2019-10-17	9,1717
2019-10-18	9,1707
2019-10-21	9,0968
2019-10-22	9,1494
2019-10-23	9,15
2019-10-24	9,1093
2019-10-25	9,1712
2019-10-28	9,2094
2019-10-29	9,2607
2019-10-30	9,2282
2019-10-31	9,1913
2019-11-01	9,1245
2019-11-04	9,1117
2019-11-05	9,139
2019-11-06	9,1307
2019-11-07	9,0923
2019-11-08	9,1438
2019-11-11	9,1396
2019-11-12	9,151
2019-11-13	9,2122
2019-11-14	9,2023
2019-11-15	9,0942
2019-11-18	9,1185
2019-11-19	9,1047
2019-11-20	9,174
2019-11-21	9,1081
2019-11-22	9,1412
2019-11-25	9,1811
2019-11-26	9,1623
2019-11-27	9,1761
2019-11-28	9,1895
2019-11-29	9,201
2019-12-02	9,1947
2019-12-03	9,1833

2019-12-04	9,1799
2019-12-05	9,1593
2019-12-06	9,1252
2019-12-09	9,1411
2019-12-10	9,1923
2019-12-11	9,1643
2019-12-12	9,1003
2019-12-13	9,0057
2019-12-16	8,9969
2019-12-17	9,017
2019-12-18	9,0286
2019-12-19	8,9759
2019-12-20	8,9631
2019-12-23	8,9508
2019-12-27	8,8387
2019-12-30	8,7997
2019-12-31	8,7803

Airthings ASA

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N-0167 Oslo
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Norway