



AIRTHINGS



**REPORT
1Q21**

Key highlights

1

1Q sales revenue of
NOK57.5m

up 14% YoY

2

1Q gross profit of
NOK35.4m

gross profit margin of 62%

3

Total ARR reached
NOK14.2m

by end of 1Q, up 126% YoY

4

Airthings for Business revenue up
516% YoY to 9.5m

eight quarters with strong
consecutive growth

5

Rolling out in nearly
800 Walmart Stores

in 2Q

6

Successful launch of
View Plus

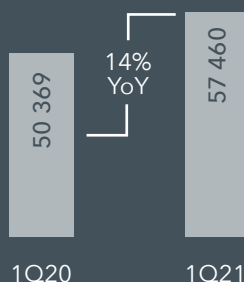
The world's most advanced
air quality monitor to date

7

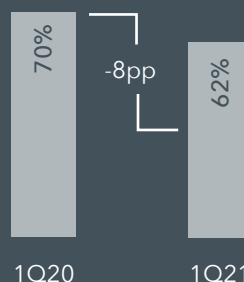
Launched new feature for allergy season
My Pollen Levels

for the Airthings app

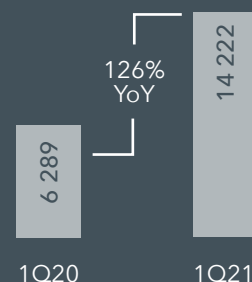
GROUP SALES REVENUE
(NOK 1 000)



SALES GROSS PROFIT
MARGIN



ANNUAL RECURRING REVENUE
(NOK 1 000)



Operational highlights

Airthings ASA reported 1Q sales revenue of NOK57.5m, up 14% YoY. The growth was mainly driven by Airthings for Business (up 516% to NOK9.5m) with solid increase in both deal volume and size, and Pro (up 45% to NOK8.3m) still driven by a strong housing market in the US. Sell-through at our retail and e-commerce partners is very strong at >150% YoY growth for our smart products. Amazon reduced their target for how much inventory they will hold, resulting in a planned order pushed to 2Q, contributing to the 8% YoY decline in the Consumer segment.

Airthings continues to deliver high-quality products, features and partnerships. This quarter, we launched View Plus, the worlds' most advanced indoor air quality monitor and a new in-app feature - "My Pollen Levels". In addition, the Company partnered with Walmart, rolling out products in nearly 800 stores in 2Q.

Annual Recurring Revenue (ARR) continues its exponential growth, reaching NOK14.2m, up 126% YoY. Furthermore, solid sell-in towards Airthings for Business (AfB) partners during the quarter leaves us optimistic for the continued ARR growth going forward.

We reiterate our full-year revenue and ARR expectations. In addition we expect 2Q revenue and ARR midpoint of NOK65m and NOK18m respectively (range details below).

REVENUE AND ARR GUIDANCE (NOKm)	2Q21	FY21
Revenue	60-70	315-345
ARR	16-20	32-40

1Q in brief

Airthings started the year by winning Innovation Awards at CES for Virus Risk Indicator and Mold Risk Indicator, and Frost & Sullivan's 2020 Global Product Leadership Award, which recognizes companies that offer products or solutions that deliver the best quality, reliability, and performance in the industry. The company was also rated among Financial Times fastest growing companies in Europe. The awards were followed

by a busy quarter operationally which included launching a new product - the View Plus, a new in-app feature - My Pollen Levels, and signing a deal with Walmart to roll out in nearly 800 stores.

Sales revenue for the group reached NOK57.5m, up 14% YoY, where AfB and Pro were the main growth contributors. A large Amazon order for Amazon reduced their target for how much

inventory they will hold, and a planned order was pushed to 2Q, resulting in a YoY decline in the segment, however sell-through for Consumer smart products grew by more than 150% YoY which we expect will yield positive effects on re-orders going forward. In addition, Airthings for Business partnered with a global real estate services company during the quarter, rolling out air quality monitoring in almost 600 offices.

Group gross margin came in at 62%, down 8%-points YoY, affected by the pushed Amazon order, coupled with negative margin effect from product sales in the AfB segment.

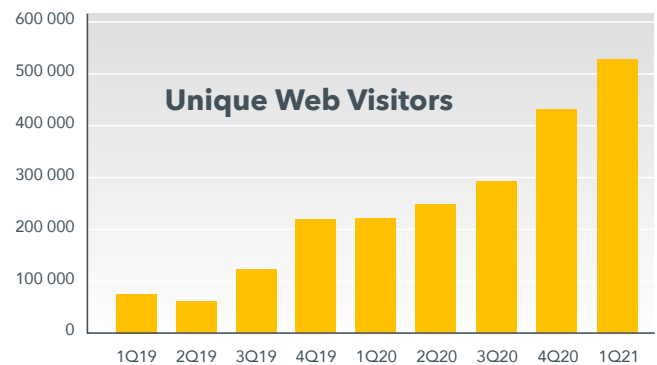
NEW PRODUCT LAUNCH - THE VIEW PLUS

On March 11, 2021, Airthings launched the View Plus, the most advanced air quality technology to date. View Plus will start shipping to customers in June. Battery-operated and Wi-Fi-enabled, View Plus includes sensors for particulate matter (PM), radon, carbon dioxide (CO2) and much more, along with a customizable display for easy visualization. View Plus is available in two versions—one for consumers and one for public and commercial buildings. Both versions enable people to take control over their air and empower them to improve it. For families, View Plus brings a new level of peace of mind, helping them rest assured that their homes are healthy. For businesses, View Plus is the most comprehensive indoor air quality monitor to complement the Airthings for Business solution, helping create healthy, productive, and energy-efficient indoor spaces, whether it be a school, office or a restaurant.

Our best campaign ever

The announcement of View Plus included a week-long teaser campaign to build excitement; full product launch with press release, web pages, videos, visuals, announcement newsletters; and finished off with the Champions Chess Tour tournament: The Magnus Carlsen Invitational. The tournament included multiple Airthings Ambassadors, such as Magnus Carlsen, streaming live air quality data from their View Plus products as they competed.

Performance and social media marketing was used throughout the campaign, reaching record web traffic and social media visits (See graph below). Unique web visitors passed more than 500 000 in the quarter, up 138% YoY. The View Plus launch videos were seen by over four million people worldwide during the launch driving strong pre-orders and retail partner engagement.



Introducing Particulate Matter (PM)

The View Plus introduced a new sensor, Particulate Matter (PM). PM comes from dust, pollen, soot, smoke, complex chemicals, sulphates, mineral dust, and more and is often used to measure air pollution levels in cities. The smaller the particles, the greater the health risk. Smaller particles can travel further into our bodies, causing irritations, asthma and allergy triggers, or worse—lung and heart problems. The WHO estimates that 7 million die from exposure to fine particles in the air every year. PM is often broken down and reported based on the size of the particles (1 micrometer, 2.5 micrometers and 10 micrometers). The Airthings App includes PM2.5 which is small enough to get deep into your lungs and some may even get into your bloodstream. The Airthings Dashboard takes it one step further, including a split between PM2.5 and PM1.

World class certifications

The launch of View Plus has also opened more doors to qualify for world class certifications that are gaining momentum worldwide. Building standards companies like RESET and WELL have a major focus on indoor air quality (including PM) and View Plus is the most advanced air

quality sensor on the market. WELL and RESET are setting standards to ensure the health and wellbeing of people living and working inside buildings. The Airthings Wave Plus is already RESET certified and View Plus is in the process of gaining the certification. Both Airthings products can also be key elements within a building to reach WELL certification. The addition of PM monitoring in our products is a big step toward positioning View Plus as a necessary addition to every home and building.

AGREEMENT SIGNED WITH WALMART

On March 18, 2021, Airthings signed an agreement with Walmart to sell the Wave Mini in 789 stores, starting May 1. It will be a seasonal offering, but we are aiming to have the product in store permanently. The current offering comes in conjunction with allergy season. According to the Asthma and Allergy Foundation of America (AAFA), more than 50 million Americans experience allergies each year. From dust mites to mold spores, pollen, and pet dander, these common allergens in our households can worsen asthma and allergies. Wave Mini will provide users with insights into common indoor air pollutants in the home such as mold and airborne chemicals (VOCs), so they can make small changes to optimize their air quality before it's too late.

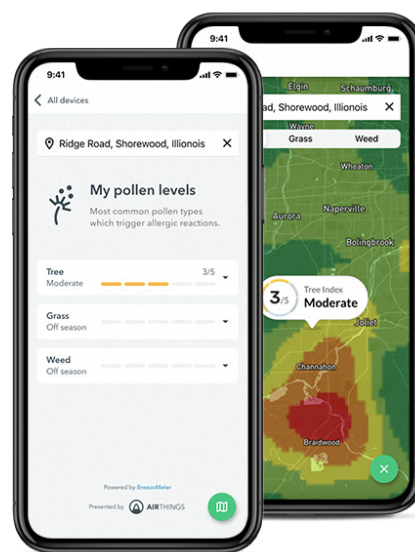
AMAZON - SUCCESSFUL DEAL OF THE DAY

Airthings continues its solid relationship with Amazon and on January 27, 2021, we completed a successful Deal of the Day. The campaign lasted for 24hrs and the offering was for Corentium Home for our consumer segment. Corentium Home holds a rating of 4.6 stars on Amazon with more than 5 000 ratings. The result of the campaign was more than 10 000 products sold in one day.

INTRODUCING 'MY POLLEN LEVELS' IN APP

On March 30, 2021, Airthings introduced a new feature for the mobile app: My Pollen Levels. The new feature allows users to track live pollen levels in their surroundings or any location, and optimize their indoor air quality based on the

insights. With allergy season already underway, knowing when to ventilate, purify your air, or keep your windows closed is essential to reduce allergy triggers and symptoms, such as sneezing, drowsiness, runny nose, itchy eyes, scratchy throat, or even asthma. The feature was made available via the Airthings app to all users of Airthings' smart products, including View Plus and the Wave family.



PRODUCTS CERTIFIED FOR ASIA

Airthings has over the years established a very strong market position in Europe and North America. Since this has been the focus market, our products have up to now not been certified for other regions, a job that has to be done prior to entering a new market. However, Airthings, together with strategic partners, has now embarked on a journey to establish a stronghold in Asia. The first step on that journey has triggered a certification process of our products in Singapore, India, Hong Kong and Australia. A product certification for selling in those regions has now been confirmed, so from 2Q21 Airthings can start to sell products in these new regions. This will be strategically important markets for both Consumer and Airthings for Business, and is expected to fuel further growth.

Financials



Financial overview

Financial highlights (NOK 1 000)	1Q21	1Q20
Total revenue	57 460	50 717
Gross profit	35 356	35 645
EBITDA	-30 637	-10 841
Operating profit/EBIT	-33 360	-11 417
Net cash-flow from operating activities	-21 602	-2 422
Cash and cash equivalents at end of period	497 962	43 837
Gross margin	62%	70%
EBIT margin	-58%	-23%

Revenue

Airthings reported 1Q sales revenue of NOK57.5m, up 14% YoY. The revenue was split NOK39.7m, NOK9.5m, and NOK8.3m in Consumer, AfB, and Pro respectively. The main growth drivers were AfB and Pro with Consumer seeing a slight decline in the quarter, mainly driven by Amazon reducing their target for how much inventory they will hold, resulting in a planned order being pushed to 2Q. However, we see strong growth in sell-through on our smart products, up more than 150% YoY at our retail and e-commerce partners. Airthings for Business continued its strong growth through partners with solid sell-in, leaving us optimistic for ARR growth going forward, and proving the scalability of the business model.

Gross profit

Gross margin came in at 62%, down 8%-points YoY. The margin contraction was driven by product mix effect, the pushed order to 2Q in Consumer, in addition to Airthings for Business product sales

making up a larger share of total revenue where margins are below that of group average.

EBIT

EBIT came in at NOK-33.4m in 1Q21, down NOK22m YoY, reflecting a margin of -58%. The decline is driven by lower revenue and gross margin, and increased personnel expenses as we follow our plan of investing for growth where average number of employees reached 113 in the quarter, up 49% YoY. In addition, we incurred elevated marketing spend in the quarter as a result of Amazon Deal of the Day in January and View Plus launch in March.

At end of 1Q21, Airthings group's equity amounted to

NOK627.1m



Cash flow

Net cash flow from operating activities was NOK-21.6m in 1Q. Main drivers are negative operating results due to planned expansion and higher marketing costs in connection with Amazon Deal of the Day and launch of View Plus. Furthermore, coming out of the shopping holiday season, accounts receivable is reduced leading to positive effect on cash flow. Cash flow from investing activities was NOK-1.8m, mainly driven by purchase of production equipment and office equipment due expansion. Cash flow from financing activities was NOK-15.7m driven mainly by settlement of loans.

Financial position

Airthings total assets at the end of 1Q21 was NOK689.5m, down from NOK738.4m at year-end 2020.

Current assets amounted to NOK608.9m compared to NOK654.3m at year-end 2020. The decline is due to reduction in cash and cash equivalents and accounts receivable, the latter as a result of the Company coming out of the shopping holiday season.

Non-current assets was NOK80.6m at the end of 1Q21 down from NOK84.1m at year-end 2020. This is mainly due to reduction in long-term receivables and goodwill, the latter related to Airtight acquisition which is depreciated over 5 years.

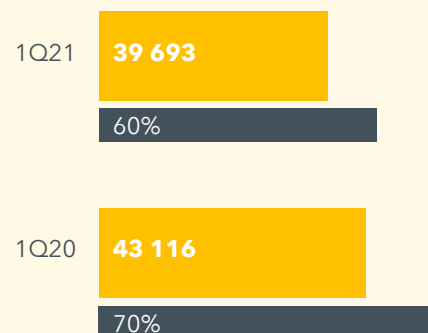
Total liabilities were NOK62.4m at end of 1Q21, down from NOK78.5m at year-end 2020. The main driver was repayment of loans.

Airthings had a total equity of NOK627.1m at end of 1Q21 compared to NOK659.8m at year-end 2020. Equity ratio was 91% and 89% at the end of 1Q21 and FY2020, respectively.

Segment overview

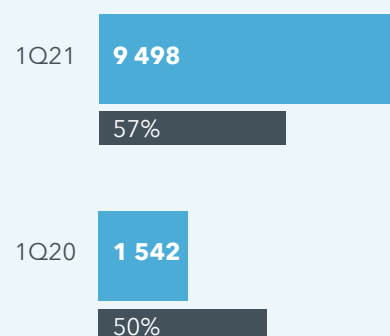
Consumer

The Consumer segment reported 1Q21 revenue of NOK39.7m, down 8% YoY. The decline was driven by high reseller inventory at the start of the quarter, coupled with an Amazon reducing their target for how much inventory they will hold, leading to a planned order pushed to 2Q, the latter leading to a negative effect on gross margin, which came in at 60%. However, the Consumer segment completed a successful Deal of the Day with Amazon in January, selling more than 10k units in 24hrs. Revenue growth in the DACH region continues to be strong, up more than 100% YoY. In addition, smart product sell-through is solid at more than 150% YoY. During the quarter, Airthings also launched a partnership with 3M resulting in products being included in 3M's Amazon brand store. Furthermore, initial success with View Plus launch, growing awareness on indoor air quality across markets, and a healthy pipeline of new channels and roll-outs with premium retail/e-tail partners, such as Walmart, validates the growth trajectory outlined for 2021.



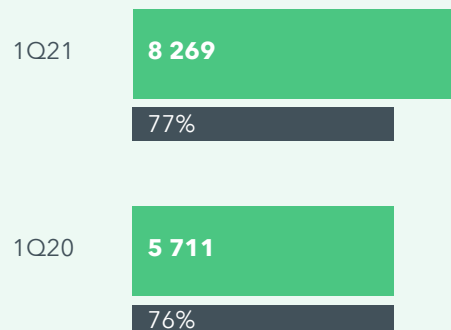
Airthings for Business

Airthings for Business reported 1Q21 revenue of NOK9.5m, representing an impressive growth of 81% QoQ and 516% YoY. The increase was driven by a growing share of sales conducted by partners such as Infogrid, Schneider and Evotech, effectively increasing our feet on the street, coupled with churn of less than 1%. In 1Q21, 71% of revenue came from partners vs. direct customers, up more than 2x QoQ and close to 4x YoY. We see an increase in both the number of deals and average deal size where number of deals reached 171 in 1Q21 up 10% QoQ and close to 140% YoY, and average deal size reached NOK55k in 1Q21, up 62% QoQ and 157% YoY. Airthings for Business now has more than 10 000 registered devices with customers, and we have reached a milestone in the public sector as total Nordic Municipalities that are Airthings customers have now reached 70. Gross margin came in at 57% reflecting high product sales with the high-margin subscription revenue accrued over the lifetime of the contracts.



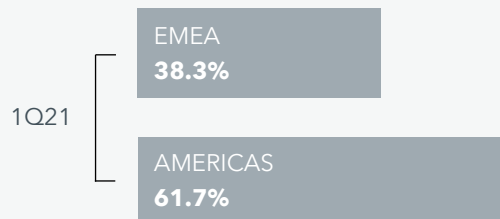
Pro

1Q21 sales revenue from the PRO segment was NOK 8.3m, up 45% YoY. Gross Profit Margins came in at 77%. The housing market in the US is a seller's market and there is a high demand for home inspections. New regulations for all 50 states in the US are being finalized. All single-family homes will be required to test for radon during home inspections, and it also will apply to all multi-family homes that contact the ground and 10% of upper levels. This quarter is also the first full quarter we have the Airthings Calibration Lab fully up and running, yielding a positive effect on both revenue and ARR.



Geographical split

1Q sales revenue came in at NOK22.0m and NOK35.5m for the EMEA and Americas region respectively. This implies a split of 38.3% and 61.7% between the respective regions. EMEA share of sales was up 18.1%-points YoY in 1Q21.



Outlook and events after the period

Airthings announced on April 21, 2021, that its Board of Directors proposes the election of board member, business leader and former World Cup alpine ski champion Aksel Lund Svindal for the role of Chairman of the Board at Airthings. If elected, Aksel Lund Svindal will replace Geir Førre, who will continue as a board member.

On April 22, Airthings published its Environmental Social Governance (ESG) report stating its goal to help the world reduce CO2 emissions by more than 1 000 000 tonnes, enable more than 4 000 000 people to breathe better, and educate more than 1 000 000 children about air quality, all by no later than 2026.

Revenue guidance

<p>2Q21 total revenue in the range of</p> <p>NOK60-70m</p>	<p>2021 total revenue in the range of</p> <p>NOK315-345m</p>
<p>2Q21 end of period ARR in the range of</p> <p>NOK16-20m</p>	<p>2021 year-end ARR in the range of</p> <p>NOK32-40m</p>

Risks

The Group operates in a highly competitive and rapidly changing global marketplace, including in the U.S. 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, and new players and competitors may enter the market and could introduce products and services that are similar to those offered by the Group. 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.

The Group may not be able to successfully implement its strategies. Achieving the Group's objectives involves inherent costs and uncertainties. There is no assurance that the Group will be able to achieve its objectives within its expected time-frame or at all, that the costs related to any of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Group's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in its markets, the capital expenditure and investment by customers and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

Oslo, April 29, 2021

Øyvind Birkenes
CEO

Geir Førre
Chair

Audhild Andersen Randa
Board member

Aksel Lund Svindal
Board member

Lars Boilesen
Board member

Liv Dyrnes
Board member

Tore Rismyhr
Board member, employee

Anlaug Underdal
Board member, employee



Consolidated financial information

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

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

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

Balance sheet

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

Consolidated changes in equity

Audited	Share capital	Treasury shares	Premium reserve	Other paid-in equity	Other equity	Total equity
Equity as of 01/01/2020 (NOK 1 000)	568	- 3	91 668	5 587	1 673	99 494
Sale of treasury shares		3			1 732	1 735
Capital increase	1 138		619 796		-26 535	594 399
Share based payment				4 325		4 325
Result for the period					-40 126	-40 126
Translation differences					- 100	
Equity as of 31/12/2020 (NOK 1 000)	1 706	0	711 464	9 912	-63 256	659 826

Unaudited	Share capital	Treasury shares	Premium reserve	Other paid-in equity	Other equity	Total equity
Equity as of 01/01/2021 (NOK 1 000)	1 706	0	711 464	9 912	-63 256	659 826
Sale of treasury shares						0
Capital increase	5		513			519
Share based payment				1 183		1 183
Result for the period					-34 407	-34 407
Translation differences					10	10
Equity as of 31/3/2021 (NOK 1 000)	1 711	0	711 977	11 095	-97 653	627 131

Cash flow

	Unaudited	Unaudited
Consolidated cash flow statement (NOK1 000)	1Q21	1Q20
Operating activities		
Profit before tax	-34 396	-8 249
Depreciation and amortization	2 723	576
Non-cash expenses related to shared based payment program	1 183	993
Change in inventories, trade receivables and payables	13 520	-3 448
Other operations related adjustments	-4 632	7 706
Net cash-flow from operating activities	-21 602	-2 422
Investing activities		
Intangible assets	- 347	- 676
Equipment held for rental	- 279	- 232
Other CAPEX	-1 154	-1 628
Net cash-flow from investment activities	-1 780	-2 536
Financing activities		
Change in long term debt / Settlement of loans	-16 222	- 833
Change in equity	519	551
Net cashflow from financing activities	-15 704	- 282
Net change in cash and cash equivalents	-39 086	-5 240
Cash and cash equivalents at start of period	537 048	49 077
Cash and cash equivalents at end of period	497 962	43 837

Note 1: General information

Airthings ASA is parent company of the Group, public limited company incorporated and domiciled in Norway with head office in Wergelandsveien 7, 0167 Oslo. Airthings ASA is listed on the Euronext Growth under the ticker AIRX.

These interim consolidated financial statements have been approved for issuance by the board of directors on April 28, 2021. The condensed interim financial statements are unaudited.

Note 2: Basis for preparation

The interim consolidated financial statements for the first quarter ended March 31, 2021 were prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway. 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 the Group's annual report for 2020.

The accounting policies adopted in the interim financial statements are consistent with the standards and interpretations followed in the preparation of the Group's annual financial statements for the year ended December 31, 2020.

Note 3: Revenue segment information

Airthings recognizes revenue from three segments: Consumer (B2C); Airthings for Business (AfB); and Pro. Consumer offers

products and solutions mainly for the household market. AfB offers products and solutions to office buildings, schools, governmental buildings, etc. Pro offers products and solutions mainly directed towards the home inspector market in the Americas region.

Note 4: Number of employees

Average number of employees in the period was 113, reflecting an increase of 37 YoY.

Note 5: Share options

Share based incentive program?

Airthings offers options to all new employees. As per 31/03/2020 Airthings had 9 715 824 outstanding options with a weighted average strike price of NOK2.08.

Note 6: Subsequent events

Airthings announced on April 21, 2021, that its Board of Directors proposes the election of board member, business leader and former World Cup alpine ski champion Aksel Lund Svindal for the role of Chairman of the Board at Airthings. If elected, Aksel L. Svindal will replace Geir Førre, who will continue as a board member.

On April 22, Airthings published its Environmental Social Governance (ESG) report stating its goal to help the world reduce CO2 emissions by more than 1 000 000 tonnes, enable more than 4 000 000 people to breathe better, and educate more than 1 000 000 children about air quality, all by no later than 2026.

Note 3 - Segment information

Sales revenue (NOK1 000)	1Q21	4Q20	3Q20	2Q20	1Q20
Consumer	39 693	73 968	33 851	29 438	43 116
AfB	9 498	5 254	3 965	2 526	1 542
Pro	8 269	4 659	4 458	5 855	5 711
Total	57 460	83 881	42 274	37 820	50 367

Sales gross profit (NOK 1 000)	1Q21	4Q20	3Q20	2Q20	1Q20
Consumer	23 618	50 457	20 257	19 648	30 195
AfB	5 385	2 939	2 393	1 535	772
Pro	6 353	3 722	3 618	3 698	4 330
Total	35 356	57 118	26 268	24 881	35 297

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.



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