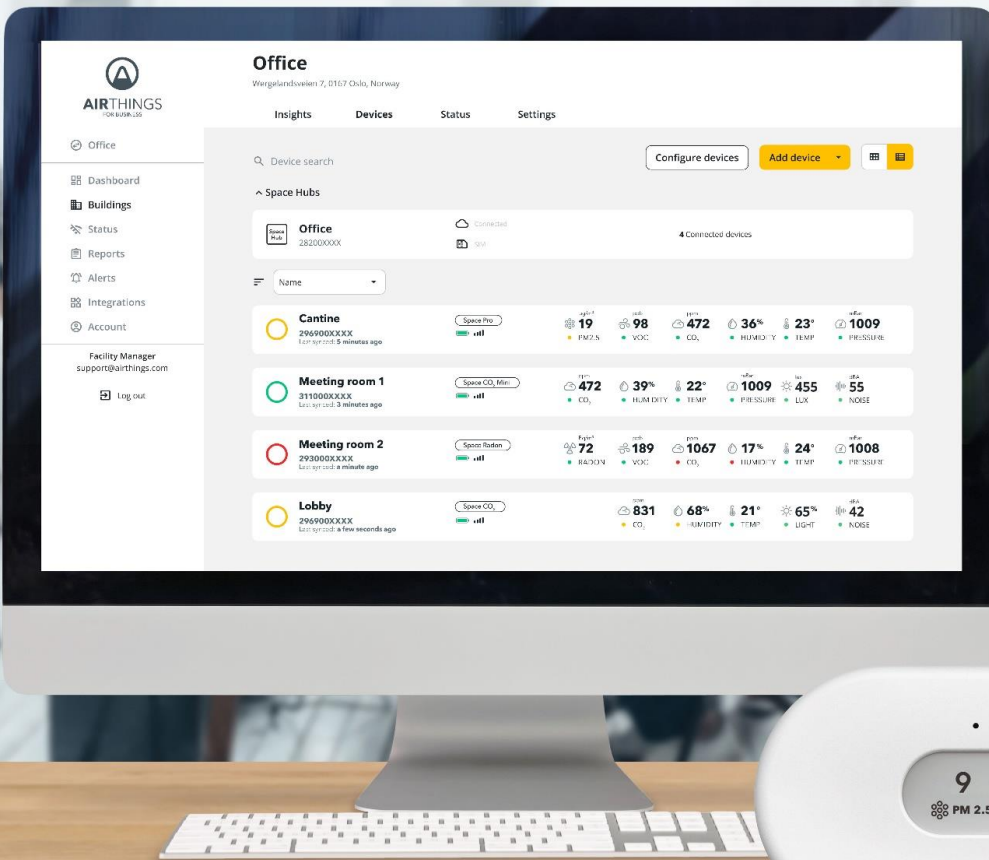




# 4Q and full year report 2022



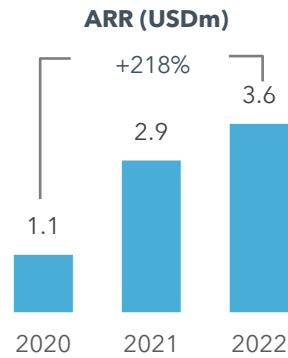
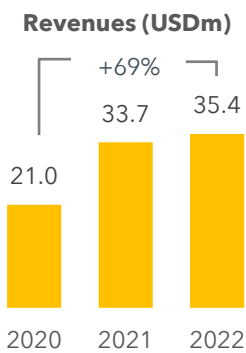


# Airthings at a glance

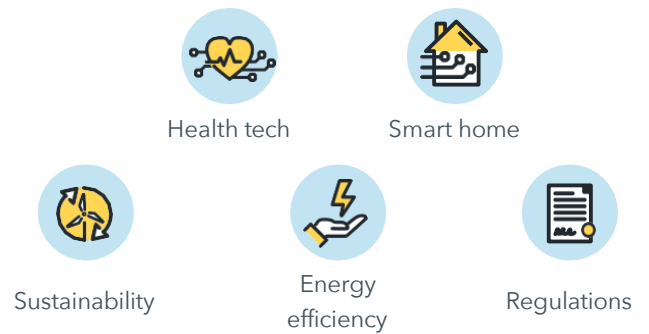
**A hardware-enabled software company solving real issues**

- Global leader in indoor air quality solutions
- Serving consumers, businesses, and professionals
- Empowering the world to breathe better

## Robust growth



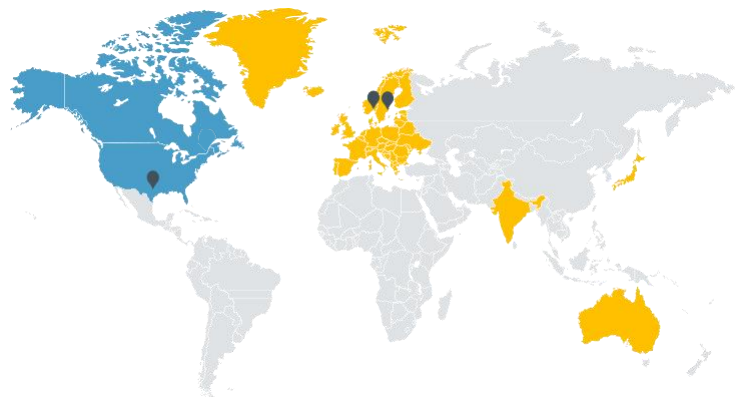
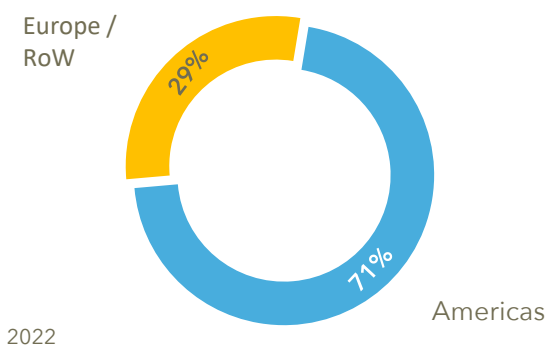
**Supported by lasting factors & megatrends**



## Delivering elegant products and actionable insights



## International and expanding presence



# Key highlights

1

Growing end-customer demand with **22% YoY growth in 4Q**

for new device registrations for connected smart devices in the Consumer segment

2

Announced the launch of the **Energy Efficiency Toolkit**

a tool to significantly improve energy consumption of buildings

3

Received **2022 Gold Medal from EcoVadis**

the worlds most trusted business sustainability ratings organization

4

Channel partners **Demonstrating caution and reducing orders**

to reduce their own inventories and working capital commitments

5

4Q sales revenue of **USD 9.5m**

down 10% year-on-year

6

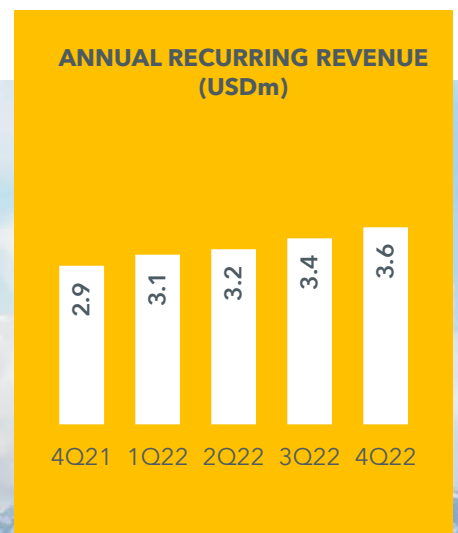
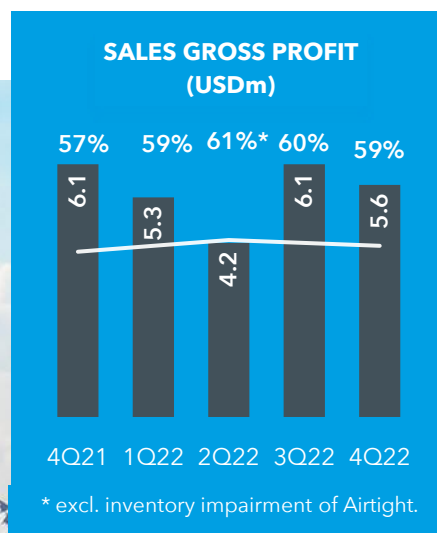
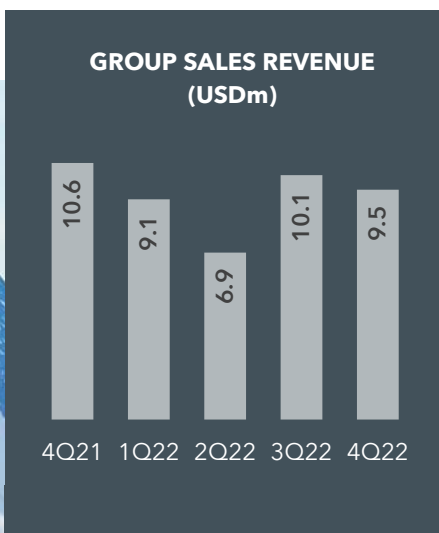
4Q sales gross profit of **USD 5.6m**

gross profit margin of 59%

7

Total ARR reached **USD 3.6m**

up 26% year-on-year



# Operational review

## Revenue and margin development

Airthings recorded sales revenue of USD 9.5 million in 4Q22, down 10% year-on-year and 5% quarter-on-quarter. Revenue for the full year 2022 came in at USD 35.5 million, up 5% from 2021.

The decline in the quarter primarily reflects that the company’s channel partners reduced inventory, as well as longer sales lead times for Airthings for Business as investment decisions are taking longer in the current market environment.

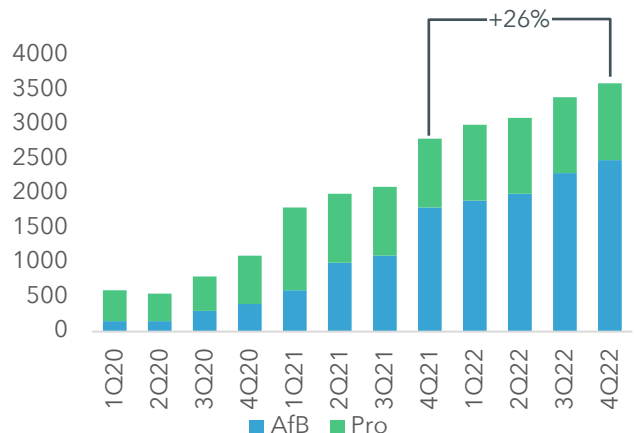
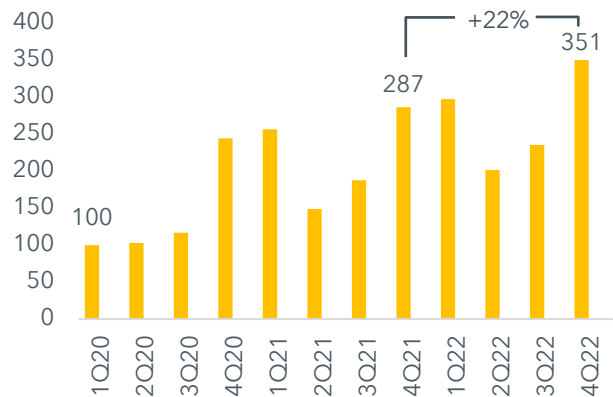
End-customer demand remains relatively strong, with Consumer new device registrations from smart products increasing more than 20% year-on-year in the fourth quarter.

Gross Profit came in at USD 5.6 million in 4Q22 and USD 21.0 million for the full year 2022, corresponding to a gross profit margin (GPM) of 59% for both the quarter and the full year. This compares with 57% GPM in Q421, and 61% for the full year 2021. Margins should be expected to fluctuate on a quarterly basis depending on product and channel mix.

## Annual recurring revenue (ARR)

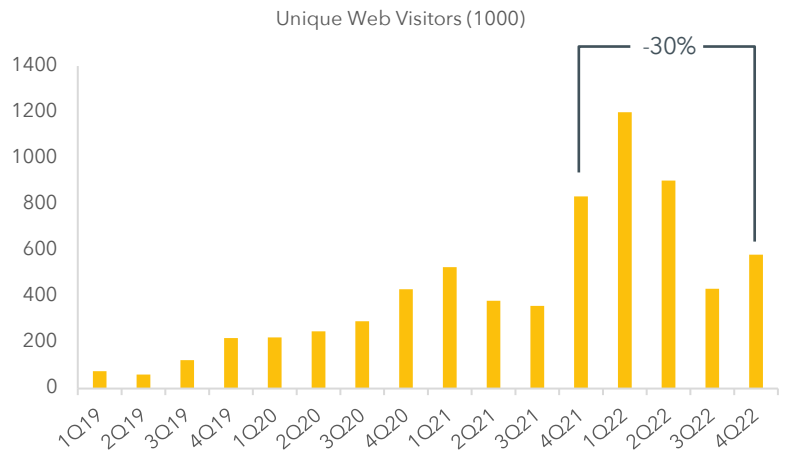
Annual Recurring Revenue (ARR) came in at USD 3.6 million in 4Q22, representing 26% growth year-on-year. The increase is mainly reflective of the strong 43% growth achieved in Airthings for Business throughout the year, which accounted for USD 2.5 million of ARR at the end of the 2022. Gross margin from ARR revenue was >80% in 4Q22.

Consumer Device Registrations  
(Indexed - 1Q2020 = 100)



## Brand awareness

The awareness of the importance of indoor air quality (IAQ) is growing, and Airthings continues to strengthen its brand positioning as a leading company within IAQ. Powered by targeted marketing campaigns over the course of the year, the company attracted global PR attention from leading publications such as Forbes, Fortune, Good Housekeeping and Bob Vila.



The www.airthings.com website reached 581k unique web visitors in the fourth quarter and 3,117k for the full year 2022. This represents a 30% year-on-year decline in 4Q22, and 48% year-on-year growth from 2021 to 2022.

Going into 2023, Airthings launched its new Airthings app at CES, a highly successful event drawing attention to the importance of indoor air quality and Airthings products such as the new Space CO2 Mini which was launched at the Expo Real in Munich in 4Q22. The launch demonstrates our continued ability to enhance the value proposition of Airthings' products and services for customers and end-users.

## Proving our sustainability profile

In the fourth quarter, Airthings received a Gold Medal for 2022 from EcoVadis, the worlds most trusted business sustainability ratings organization, underscoring the company's commitment to continuous improvement in implementing sustainable practices. The accreditation places Airthings among the top 3% most sustainable companies globally.

Airthings is enabling businesses to reduce energy consumption using air quality data, saving thousands of tons of CO2 per year. In addition, the company is utilizing circular principles to ensure responsible manufacturing and usage of high-quality components and materials to ensure long-term shelf lives. Airthings also aligns with the Sustainable Development Goals (SDGs) using them as a framework for its ESG actions.



## Outlook and guidance

Airthings delivered revenue of USD 9.5 million in 4Q22, within the broad revenue guidance of USD 9.0 - 13.0 million provided in 3Q22.

USDm	Revenue and ARR Guidance 1Q23
Revenue	8.5 - 11.5
ARR	3.7 - 4.0

End-user demand held up reasonably well with new device registrations for smart products in the Consumer segment up 20% year-on-year in the fourth quarter. Products such as the View Plus are drivers of growth in end-user demand, supported by a high level of promotional activities for other products. Revenues falling in the low-end of the range thus reflects that channel partners lowered inventories to reduce working capital in a generally uncertain market environment.

Airthings maintains the view that channel partners will replenish inventories to normal levels over time. Weak consumer confidence figures and recession fears could however mean that many distributors will continue to push out new orders also in the coming quarters. High economic uncertainty also means that sales cycles are being extended in Airthings for Business.

Due to the persisting market uncertainties, Airthings continues to provide a relatively wide revenue guidance range of USD 8.5 - 11.5 million for 1Q23. ARR is expected to expand to USD 3.7 - 4.0 million by the end of the quarter, corresponding to 19 - 29% year-on-year growth.

Given Airthings's revenue growth slowdown in 2022 and a continued volatile market situation coming into 2023, Airthings is intensifying its focus on:

- i. Optimizing business operations, reducing inventories, and improving the cash position. This effort includes promotional activities to increase sales, cost initiatives, and securing the USD 8 million revolving credit facility with Danske Bank in January 2023
- ii. Sharpening the strategic focus of Airthings for Business and enhancing its value proposition, with a key component including strengthening the energy optimization offering

The Company acknowledges that it is unlikely to reach its original revenue ambition of USD 100 million by 2024. However, succeeding with these focus areas should allow Airthings to return to its long-term growth trajectory with profitable growth.

In addition and based the Company's financial position, and following an offer received from the Company's largest shareholder Firda AS and A Management AS, the board of directors of the Company has resolved to propose a private placement of new shares to raise NOK 75 million. The private placement is planned to be conducted after close of trading on the Oslo Stock Exchange on 13 February 2023. Firda AS, together with A Management AS, has committed to subscribe for and be allocated NOK 50 million in such private placement and has agreed to guarantee full subscription of the remaining NOK 25 million at a subscription price of NOK 3.20. Completion of the private placement will be subject to approval by an extraordinary general meeting of the Company. Following completion of the private placement, the board will consider a subsequent offering of new shares to shareholders who hold shares below a certain threshold and were not allocated shares in the private placement.



# Segment overview

## Airthings for Consumer

Revenue from Airthings for Consumer came in at USD 6.2 million in 4Q22, down 5.0% year-on-year from USD 6.5 million in 4Q21. Channel partners remain highly cautious on inventory levels, and many would rather take the risk to run out of stock than expose themselves to excess inventory.

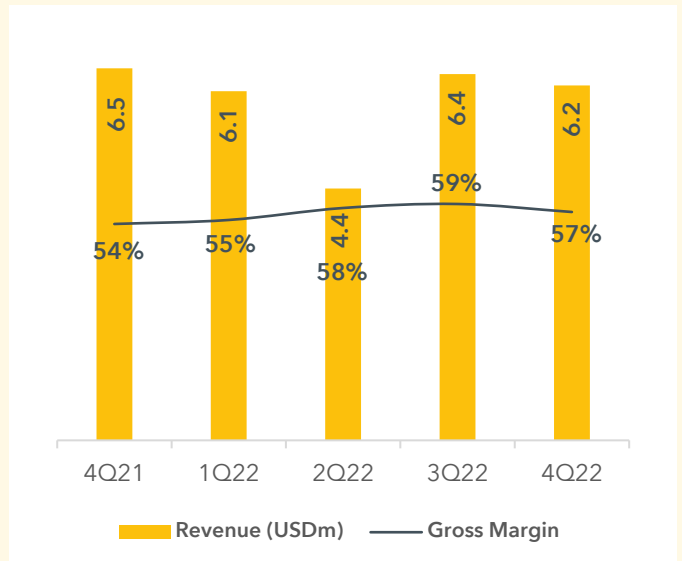
This resulted in orders coming in lower than expected, and some orders being pushed into 2023.

Airthings did however see a healthy 22% year-on-year growth in annual device registrations for smart products in Consumer in 4Q22, and 23% year-on-year growth for the full year.

The segment is also seeing strong sell-through performance with key retailers in 4Q22. In-store sell-through at Home Depot increased fivefold year-on-year, with healthy sell-through also with other premium North American retailers.

Sales to Amazon were however low due to their end-of-year reduction in physical inventory levels and “weeks of cover” of products. Airthings’ flagship product, View Plus, nevertheless showed 38% growth from 3Q22, and now represents the largest share of revenue from Amazon.

Gross profit for the Consumer segment came in at USD 3.5 million in 4Q22 with a gross profit margin of 57%, compared to 54% in 4Q21 and 59% in 3Q22. The margin fluctuations reflect product and channel mix between quarters.



## Airthings for Business (AfB)

Revenue from Airthings for Business came in at USD 2.8 million in 4Q22, down 14% year-on-year from a strong 4Q21 boosted by a large deal with schools in Quebec. Overall, Airthings for Business grew 49% in 2022 vs. 2021. The number of devices in the field increased by 151% year-on-year.

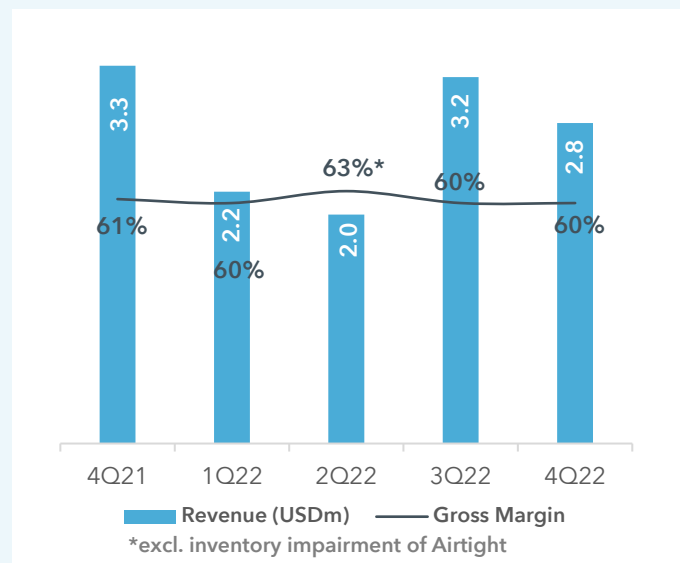
Gross profit for Airthings for Business came in at USD 1.7 million in 4Q22, with a gross margin of 60%. The gross margin is largely in line with both 4Q21 and 3Q22.

US sales in the quarter largely reflect shipments to a large global enterprise customer under the USD 4.6 million contract announced in 3Q22. Sales in EMEA were slightly below expectations due to timing of contracts, year-end inventory reductions at partners, and buildup of a USD 0.5 million backlog due to inventory shortage of the recently launched Space CO<sub>2</sub> Mini. Performance marketing and marketing events held in the quarter increased the number of leads for Airthings for Business and boosted the company's overall positioning in global markets.

4Q22 entailed several new contracts and partnerships across the company's global locations, and new proof of concepts were entered with several potential new customers.

In Norway, Airthings expanded to 16 new municipalities, including a full roll-out of an Indoor Air quality Solution in Moss. In total, Airthings for Business is now implemented across more than 70 Norwegian municipalities. In addition, the company installed its business solution to enable energy management in 48 newbuilds through the partnership with Energy Control.

In February 2023, Airthings for Business announced the launch of the Energy Efficiency Toolkit, the first of many new dynamic tools focusing on energy waste specifically designed to optimize cost savings through identifying unnecessary, wasteful energy expenditures. Buildings use 40% of the world's energy, and 30% of that comes from heating, ventilation, cooling and lights. Airthings' Energy Efficiency Toolkit will help customers significantly reduce energy waste on ventilation, cooling, heating and lighting by providing actionable data & insights.

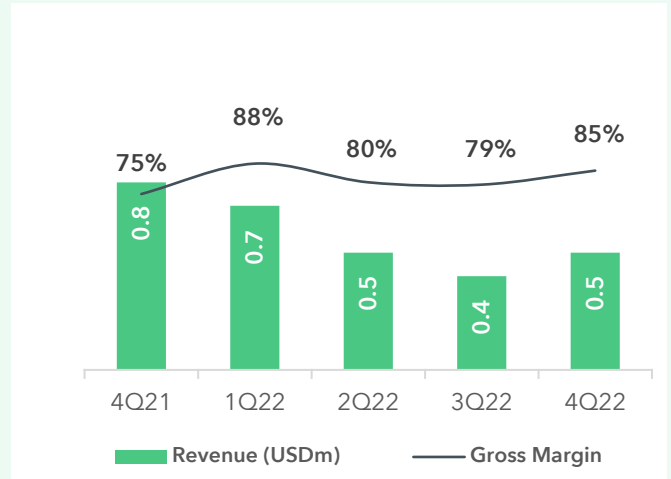




## Airthings for Professionals

Sales revenue from the PRO segment reached USD 0.5 million in 4Q22, reflecting a continued challenging US home inspector market.

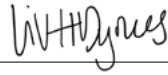
Gross profit from the PRO segment was USD 0.4 million in the quarter, with a margin of 85%. This compares with 75% in 4Q21 and 79% in 3Q22.



Oslo, 9 February 2023



**Geir Førre**  
Chairman of the Board



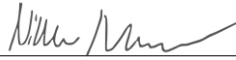
**Liv Dyrnes**  
Board Member



**Lars Boilesen**  
Board member



**Emma Tryti**  
Board member



**Niklas Norin**  
Board member



**Chloe Waller**  
Board member




**Fredrik Thoresen**  
Board member



**Karin Berg**  
Board member



**Aksel Lund Svindal**  
Board member



**Øyvind Birkenes**  
CEO

# Financials



# Financial highlights (IFRS)

Key financials (USD 1,000)	4Q 2022	4Q 2021	Δ	2022	2021	Δ
Total revenue	9,459	10,555	-10%	35,424	33,699	5%
Gross profit	5,596	6,068	-8%	20,959	20,658	1%
Gross margin	59%	57%		59%	61%	
EBITDA	-2,755	-3,138		-11,785	-8,035	
EBIT	-3,069	-3,515		-14,662	-9,371	
Profit (loss) before tax	-4,282	-3,515		-13,697	-9,315	
Annual Recurring Revenue	3,602	2,866	26%	3,602	2,866	26%

## 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 8.4 million in 4Q22 and USD 32.7 million for the full year 2022. The increase was primarily driven by personnel costs associated with higher headcounts in 2022 vs 2021, particularly within the sales and marketing organization. In addition, there were notable one-off costs related to transition to main stock exchange and restructuring costs in the second quarter (see note 6).

**EBITDA** came in at negative USD 2.8 million in 4Q22 and negative USD 11.8 million in 2022.

**Depreciation, amortization and impairments** during 4Q22 was USD 0.3 million and 2.9 million in 2022, driven by a one-off cost related to derecognition of the Airtight technology of USD 1.5 million in the second quarter and depreciation of right-of-use assets for the period for leases recognized under IFRS 16 (see note 7)

**EBIT** came in at negative USD 3.1 million in 4Q22 and negative USD 14.7 million in 2022.

**Net financial** items consist primarily of exchange rate fluctuations between USD and NOK and interest expense on the IFRS 16 lease liability.

**Profit (loss) before taxes** was a loss of USD 4.3 million in 4Q22 and USD 13.7 million in 2022.

**Tax income** was USD 1.0 million in 4Q22 and USD 3.1 million for the full year 2022 (see note 8). This resulted in a **net loss** of USD 3.3 million in 4Q22 and a **net loss** of USD 10.6 million for 2022.

## Consolidated statement of financial position

**Total assets** at the end of 4Q22 were USD 63.7 million (end 3Q22: USD 59.4 million), split between non-current assets is USD 16.5 million (end 3Q22: USD 14.0 million), and current assets of USD 47.2 million (end 3Q22: USD 45.4 million). Non-current assets are mainly made up of goodwill, deferred tax assets and right of use assets. Current assets are mainly made up of USD 13.3 million in cash and cash equivalents, inventories and trade receivables. Inventory increased by USD 3.2 million during the quarter (an increase of USD 7.3 million year-on-year). The company will continue the heightened focus on working capital going forward.

The book value of equity is USD 50.9 million (end 3Q22: USD 49.0). This equates to an equity ratio of 79.9% (end 3Q22: 82.5%)

**Total liabilities** were USD 12.8 million at the end of 4Q22 (end 3Q22: USD 10.4). The 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**

**Total cash and cash equivalents balance** decreased by USD 3.7 million from 3Q22 to USD 13.3 million.

**Cash flow from operating activities** came in at negative USD 6.0 million in 4Q22 and negative USD 22.2 million in 2022 mainly driven by a profit before tax in addition to negative working capital due to increase in inventories.

**Cashflow from investment activities** was negative USD 0.5 million in 4Q22 and negative USD 2.2 million in 2022 driven mainly by capitalization of internally generated intangible assets.

**Cashflow from financing activities** was marginal at negative USD 0.1 million in 4Q22 and USD 0.6 million in 2022 mainly related to payments of lease liabilities.

# Consolidated statement of profit or loss

Amounts in USD 1,000	Notes	4Q 2022	4Q 2021	2022	2021
Revenues	4, 5	9,459	10,555	35,424	33,671
Other operating income		0	0	0	28
<b>Total revenue and other operating income</b>		<b>9,459</b>	<b>10,555</b>	<b>35,424</b>	<b>33,699</b>
Cost of goods sold	7	3,863	4,487	14,465	13,041
Employee benefit expenses	6	4,338	4,705	16,654	15,127
Other operating expenses	6	4,013	4,501	16,090	13,566
<b>Operating profit or loss before depreciation &amp; amortization (EBITDA)</b>		<b>-2,755</b>	<b>-3,138</b>	<b>-11,785</b>	<b>-8,035</b>
Depreciation, amortization and impairment	7	315	377	2,877	1,335
<b>Operating profit or loss (EBIT)</b>		<b>-3,069</b>	<b>-3,515</b>	<b>-14,662</b>	<b>-9,371</b>
<b>Net financial items</b>		<b>-1,212</b>	<b>-1</b>	<b>965</b>	<b>55</b>
<b>Profit (loss) before tax</b>		<b>-4,282</b>	<b>-3,515</b>	<b>-13,697</b>	<b>-9,315</b>
Income tax expense	8	-1,032	-2,142	-3,131	-2,055
<b>Profit (loss) for the period</b>		<b>-3,250</b>	<b>-1,374</b>	<b>-10,566</b>	<b>-7,261</b>

## Profit (loss) for the year attributable to:

Equity holders of the parent company		-3,250	-1,374	-10,566	-7,261
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## Earnings per share:

Basic earnings per share	10	-0.02	-0.01	-0.06	-0.04
Diluted earnings per share	10	-0.02	-0.01	-0.06	-0.04

# Consolidated statement of comprehensive income

Amounts in USD 1,000	Notes	4Q 2022	4Q 2021	2022	2021
<b>Profit (loss) for the period</b>		<b>-3,250</b>	<b>-1,374</b>	<b>-10,566</b>	<b>-7,261</b>
<b>Other comprehensive income:</b>					
<i>Items that subsequently will not be reclassified to profit or loss:</i>					
Exchange differences on translation of parent company		5,088	-321	-7,025	-2,366
<b>Total items that will not be reclassified to profit or loss</b>		<b>5,088</b>	<b>-321</b>	<b>-7,025</b>	<b>-2,366</b>
<i>Items that subsequently may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		-2	14	0	14
<b>Total items that may be reclassified to profit or loss</b>		<b>-2</b>	<b>14</b>	<b>0</b>	<b>14</b>
<b>Other comprehensive profit (loss) for the period</b>		<b>5,086</b>	<b>-307</b>	<b>-7,025</b>	<b>-2,352</b>
<b>Total comprehensive profit (loss) for the period</b>		<b>1,836</b>	<b>-1,681</b>	<b>-17,590</b>	<b>-9,612</b>
<b>Total comprehensive profit (loss) attributable to:</b>					
Equity holders of the parent company		1,836	-1,681	-17,590	-9,612



# Consolidated statement of financial position

Amounts in USD 1,000	Notes	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	7	2,872	3,210
Intangible assets	7	2,459	2,495
Deferred tax assets	8	7,108	4,509
Property, plant and equipment		830	809
Right-of-use assets		3,140	4,241
Other non-current assets	11	132	1,075
<b>Total non-current assets</b>		<b>16,541</b>	<b>16,339</b>
<b>Current assets</b>			
Inventories		18,713	11,429
Trade receivables		11,099	11,850
Other receivables		4,115	1,889
Cash and cash equivalents		13,274	42,174
<b>Total current assets</b>		<b>47,202</b>	<b>67,342</b>
<b>TOTAL ASSETS</b>		<b>63,742</b>	<b>83,680</b>

Amounts in USD 1,000	Notes	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	192	190
Share premium		78,979	78,669
Other capital reserves		2,068	1,704
Other equity		-30,311	-12,721
<b>Total equity</b>		<b>50,928</b>	<b>67,842</b>
<b>Non-current liabilities</b>			
Non-current lease liabilities		2,554	3,803
Non-current provisions	11	125	1,090
<b>Total non-current liabilities</b>		<b>2,679</b>	<b>4,892</b>
<b>Current liabilities</b>			
Current lease liabilities		850	670
Trade and other payables		6,177	7,027
Contract liabilities		1,111	894
Income tax payable		60	27
Current provisions		1,963	2,328
<b>Total current liabilities</b>		<b>10,136</b>	<b>10,946</b>
<b>Total liabilities</b>		<b>12,815</b>	<b>15,838</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,742</b>	<b>83,680</b>

Oslo, 9 February 2023



**Geir Førre**  
Chairman of the Board



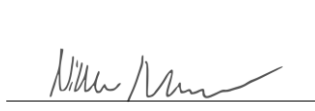
**Liv Dyrnes**  
Board Member



**Lars Boilesen**  
Board member



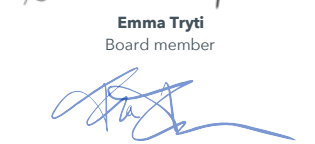
**Emma Tryti**  
Board member



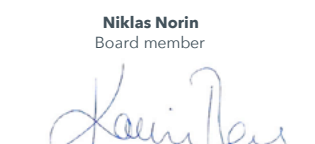
**Niklas Norin**  
Board member



**Chloe Waller**  
Board member



**Fredrik Thoresen**  
Board member



**Karin Berg**  
Board member



**Aksel Lund Svindal**  
Board member



**Øyvind Birkenes**  
CEO

# Consolidated statement of cash flows

Amounts in USD 1,000		4Q 2022	4Q 2021	2022	2021
	Notes				
<b>Cash flows from operating activities</b>					
<b>Profit (loss) before tax</b>		<b>-4,282</b>	<b>-3,515</b>	<b>-13,697</b>	<b>-9,315</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>					
Net financial items		1,212	1	-965	-55
Depreciation, amortization and impairment	7	315	377	2,877	1,335
Share-based payment expense	11	66	151	364	608
<i>Working capital adjustments:</i>					
Changes in inventories		-3,195	-2,390	-7,284	-6,736
Changes in trade and other receivables		-2,320	1,054	-1,476	-4,697
Changes in trade and other payables and contract liabilities		1,575	1,818	-633	3,360
Changes in provisions		615	526	-1,354	-380
<i>Other items</i>					
Tax paid		0	1	0	1
<b>Net cash flows from operating activities</b>		<b>-5,979</b>	<b>-1,978</b>	<b>-22,169</b>	<b>-15,879</b>
<b>Cash flows from investing activities</b>					
Development expenditures	7	-661	-76	-2,145	-574
Purchase of property, plant and equipment		-116	-43	-341	-495
Interest received		241	26	258	102
<b>Net cash flow from investing activities</b>		<b>-536</b>	<b>-63</b>	<b>-2,228</b>	<b>-968</b>
<b>Cash flow from financing activities</b>					
Proceeds from issuance of equity	9	123	88	312	198
Repayment of borrowings		0	0	0	-1,901
Payments for the principal portion of the lease liability		-168	-180	-698	-636
Payments for the interest portion of the lease liability		-44	-59	-201	-217
Interest paid		0	-6	0	-4
<b>Net cash flows from financing activities</b>		<b>-89</b>	<b>-158</b>	<b>-586</b>	<b>-2,560</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-6,603</b>	<b>-2,199</b>	<b>-24,983</b>	<b>-19,407</b>
Cash and cash equivalents beginning of the period		17,014	44,987	42,174	62,943
Net foreign exchange difference		2,863	-614	-3,917	-1,362
<b>Cash and cash equivalents at end of the period</b>		<b>13,274</b>	<b>42,174</b>	<b>13,274</b>	<b>42,174</b>

# Consolidated statement of changes in equity

Amounts in USD 1,000			Other equity		Total equity	
	Share capital	Share premium	Other capital reserves	Cumulative translation differences		Retained earnings
<b>Equity 31 December 2020</b>	<b>188</b>	<b>78,472</b>	<b>1,096</b>	<b>4,314</b>	<b>-7,422</b>	<b>76,648</b>
Profit (loss) for the period					-7,261	-7,261
Other comprehensive profit (loss)				-2,352		-2,352
<b>Total comprehensive profit (loss)</b>				<b>-2,352</b>	<b>-7,261</b>	<b>-9,612</b>
Capital increase (note 9)	1	197				198
Share-based payments (note 11)			608			608
<b>Equity 31 December 2021</b>	<b>190</b>	<b>78,669</b>	<b>1,704</b>	<b>1,962</b>	<b>-14,683</b>	<b>67,842</b>

Amounts in USD 1,000			Other equity		Total equity	
	Share capital	Share premium	Other capital reserves	Cumulative translation differences		Retained earnings
<b>Equity 31 December 2021</b>	<b>190</b>	<b>78,669</b>	<b>1,704</b>	<b>1,962</b>	<b>-14,683</b>	<b>67,842</b>
Profit (loss) for the period					-10,566	-10,566
Other comprehensive profit (loss)				-7,025		-7,025
<b>Total comprehensive profit (loss)</b>				<b>-7,025</b>	<b>-10,566</b>	<b>-17,590</b>
Capital increase (note 9)	2	310				312
Share-based payments (note 11)			364			364
<b>Equity 31 December 2022</b>	<b>192</b>	<b>78,979</b>	<b>2,068</b>	<b>-5,062</b>	<b>-25,248</b>	<b>50,928</b>

# Notes

## **Note 1: Corporate information**

Airthings ASA ('the Company') is a publicly listed company on Oslo Stock Exchange, 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 its products and solutions to consumers and businesses around the world.

The interim consolidated financial statements of the Group for the period ended 31 December 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 9 February 2023.

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 of 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 macroeconomic environment has proven challenging throughout 2022 with increasing interest rates and inflation causing uncertainty and reduced consumer confidence. Consequently, retailers and distribution partners have reduced inventory coverage to lower their capital burden and hamper risk exposure. The Board continues to monitor the situation carefully to ensure appropriate measures are taken as the situation continues to unfold through 2023.

#### *Presentation currency and functional currency*

Airthings ASA has Norwegian krone ('NOK') as its functional currency and its subsidiaries have SEK or USD as their functional currencies. The Group presents its consolidated financial statements in USD to provide the primary users of the financial statements with more convenient information. When converting from NOK to USD large items on the balance sheet, such as Equity and Cash and cash equivalents, may show significant unrealized differences when the exchange rate between these two currencies fluctuates substantially.

#### **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.

## 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 4Q 2022

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 498 thousands (4Q 2021: USD 614 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 836 thousands (4Q 2021: USD 1,211 thousands) reflects the reversal of lease expenses for the Group's operating leases under NGAAP (4Q 2022: USD 167 thousands, 4Q 2021: USD 239 thousands), in addition to the reclass from OPEX to a reduction of revenue (4Q 2022: USD 669 thousands, 4Q 2021: USD 972 thousands). The IFRS adjustments are mainly related to the Consumer segment.

4Q 2022 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/eliminations	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>						
External customers	6,653	2,847	457		-498	9,459
Other operating income						
<b>Total revenue</b>	<b>6,653</b>	<b>2,847</b>	<b>457</b>		<b>-498</b>	<b>9,459</b>
Cost of goods sold	2,655	1,141	67			3,863
Employee benefit expenses	440	991	92	2,814		4,338
Other operating expenses	1,009	252	181	3,407	-836	4,013
<b>EBITDA</b>	<b>2,549</b>	<b>462</b>	<b>118</b>	<b>-6,221</b>	<b>338</b>	<b>-2,755</b>



4Q 2021 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>						
External customers	7,111	3,291	768		-614	10,555
Other operating income				-0		
<b>Total revenue</b>	<b>7,111</b>	<b>3,291</b>	<b>768</b>	<b>-0</b>	<b>-614</b>	<b>10,555</b>
Cost of goods sold	3,002	1,279	191	16		4,487
Employee benefit expenses	452	1,084	110	3,059		4,705
Other operating expenses	885	374	220	4,234	-1,211	4,502
<b>EBITDA</b>	<b>2,773</b>	<b>554</b>	<b>247</b>	<b>-7,310</b>	<b>597</b>	<b>-3,138</b>

### Group functions and adjustments/ eliminations 2022

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 1,916 thousands (YTD 2021: USD 2,502 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 3,368 thousands (YTD 2021: USD 3,793 thousands) reflects the reversal of lease expenses for the Group's operating leases under NGAAP (YTD 2022: USD 898 thousands, YTD 2021: USD 853 thousands), in addition to the reclass from OPEX to a reduction of revenue (YTD 2022: USD 2,470 thousands, YTD 2021: USD 2,940 thousands). The IFRS adjustments are mainly related to the Consumer segment.

2022 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>						
External customers	24,953	10,313	2,075		-1,916	35,424
Other operating income						
<b>Total revenue</b>	<b>24,953</b>	<b>10,313</b>	<b>2,075</b>		<b>-1,916</b>	<b>35,424</b>
Cost of goods sold	9,871	4,254	340			14,465
Employee benefit expenses	2,046	3,934	323	10,351		16,654
Other operating expenses	3,396	1,091	687	14,283	-3,368	16,090
<b>EBITDA</b>	<b>9,640</b>	<b>1,033</b>	<b>724</b>	<b>-24,634</b>	<b>1,452</b>	<b>-11,785</b>

2021 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>						
External customers	26,064	6,942	3,167		-2,502	33,671
Other operating income				28		28
<b>Total revenue</b>	<b>26,064</b>	<b>6,942</b>	<b>3,167</b>	<b>28</b>	<b>-2,502</b>	<b>33,699</b>
Cost of goods sold	9,574	2,708	743	16		13,041
Employee benefit expenses	1,603	3,230	325	9,969		15,127
Other operating expenses	2,177	796	817	13,570	-3,793	13,567
<b>EBITDA</b>	<b>12,710</b>	<b>208</b>	<b>1,282</b>	<b>-23,527</b>	<b>1,291</b>	<b>-8,035</b>

### 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 5 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)	4Q 2022	4Q 2021	2022	2021
Revenue from contracts with customers	9,353	10,431	34,953	33,172
Rental income	106	124	471	499
<b>Total revenues</b>	<b>9,459</b>	<b>10,555</b>	<b>35,424</b>	<b>33,671</b>

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Geographical information (USD 1,000)	4Q 2022	4Q 2021	2022	2021
EMEA	2,473	2,822	10,102	9,537
North America (USA and Canada)	6,880	7,609	24,851	23,635
<b>Total revenue from contracts with customers</b>	<b>9,353</b>	<b>10,431</b>	<b>34,953</b>	<b>33,172</b>

The information above is based on the location of the customers:

Timing of revenue recognition (USD 1,000)	4Q 2022	4Q 2021	2022	2021
Goods transferred at a point in time	8,659	9,955	32,527	31,791
Subscription and services transferred over time	693	476	2,427	1,382
<b>Total revenue from contracts with customers</b>	<b>9,353</b>	<b>10,431</b>	<b>34,953</b>	<b>33,172</b>

## 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)	4Q 2022	4Q 2021	2022	2021
Sales and marketing	5,014	5,112	19,621	16,426
Research and development	1,907	2,398	7,201	8,110
General and administrative	1,430	1,697	5,922	4,157
<b>Total operating expenses</b>	<b>8,351</b>	<b>9,207</b>	<b>32,744</b>	<b>28,693</b>
Number of employees	137	139	137	139

Operating expenses for full year 2022 includes a number of one-off costs which occurred in 2Q22. First, the Company transitioned from the EuroNext Growth stock exchange to the main stock exchange, Oslo Børs. USD 0.31 million in OPEX costs were associated with this move. Second, the Company has taken steps to optimize its cost base to be prudent. Part of aligning its cost base includes a modest headcount reduction and a hiring freeze with few exceptions. Overall, the headcount reduction represents approximately 10% and an accrual of USD 0.64 million was taken for restructuring related costs. Third, various other OPEX costs and accruals, including a write-down of bad debt, were taken in the second quarter totaling USD 0.35 million.

## Note 7: Intangible assets

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, amortization and impairment	4Q 2022	4Q 2021	2022	2021
Depreciation of property, plant and equipment	67	92	269	256
Depreciation of right-of-use assets	179	207	769	737
Amortization and impairment of intangible assets (see details in the table below)	69	77	1,838	342
<b>Total depreciation, amortization and impairment expenses</b>	<b>315</b>	<b>376</b>	<b>2,877</b>	<b>1,335</b>

## 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 <sup>1)</sup>	Goodwill <sup>2)</sup>	Total
<b>Acquisition cost as at 31 December 2020</b>		<b>727</b>	<b>1,770</b>	<b>3,317</b>	<b>5,814</b>
Additions		433	141		574
Currency translation effects		-31	-47	-108	-186
<b>Acquisition cost as at 31 December 2021</b>		<b>1,129</b>	<b>1,864</b>	<b>3,210</b>	<b>6,202</b>
<b>Acquisition cost as at 31 December 2021</b>		<b>1,129</b>	<b>1,864</b>	<b>3,210</b>	<b>6,203</b>
Additions	1,962	184			2,145
Currency translation effects	-97	-141	-198	-338	-775
<b>Acquisition cost as at 31 December 2022</b>	<b>1,865</b>	<b>1,171</b>	<b>1,666</b>	<b>2,872</b>	<b>7,573</b>
<b>Accumulated amortization as at 31 December 2020</b>		<b>119</b>	<b>45</b>		<b>164</b>
Amortization charge for the period		167	176		343
Impairment charge for the period					
Currency translation effects		-4	-4		-8
<b>Accumulated amortization as at 31 December 2021</b>		<b>282</b>	<b>217</b>		<b>499</b>
<b>Accumulated amortization as at 31 December 2021</b>		<b>282</b>	<b>217</b>		<b>498</b>
Amortization charge for the period	24	305	65		394
Impairment charge for the period			1,444		1,444
Currency translation effects		-33	360		-93
<b>Accumulated amortization as at 31 December 2022</b>	<b>24</b>	<b>554</b>	<b>1,666</b>		<b>2,243</b>
<b>Net book value:</b>					
<b>At 31 December 2021</b>		<b>847</b>	<b>1,647</b>	<b>3,210</b>	<b>5,705</b>
<b>At 31 December 2022</b>	<b>1,841</b>	<b>617</b>	<b>0</b>	<b>2,872</b>	<b>5,330</b>

Economic life (years)	5	5	10	Indefinite
Depreciation plan	Straight-line			

## 1) Derecognition of technology

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 decided during 2Q 2022 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. This resulted in a derecognition of technology of USD 1.5 million specifically related to the Airtight hardware and USD 0.2 million of the inventory.

## 2) Goodwill

Airthings performed its annual impairment test for goodwill in December 2022 and no impairments were made. The impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount will be disclosed in Airthings' consolidated financial statements for the year ended 31 December 2022.

Airthings considers the relationship between our market capitalization and our book value, among other factors, when reviewing for indicators of impairment. In addition, the group considers factors such as revenue growth in the industry, impact of general economic conditions, changes in the technological environment, the group's market share, and performance compared to previous forecasts in this assessment.

No changes to AfB's long-term prospects are expected due to the recent macro development, hence no impairment of the goodwill is made. Management does not see any other reasonable changes in the key assumptions that would cause the value in use to be lower than its carrying value.

## Note 8: Income tax

The consolidated tax rate for the Group are approximately 22%. 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.

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. Tax losses carried forward in the parent company 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. Reference is made to note 2.8 in the Group's consolidated financial statements for the year ended 31 December 2021 for more information.

## Note 9: 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)
<b>At 31 December 2020</b>	<b>170,605,637</b>	<b>0.01</b>	<b>188</b>
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
<b>At 31 December 2021</b>	<b>171,816,437</b>	<b>0.01</b>	<b>190</b>
Share capital increase - February 2022	550,400	0.01	1
Share capital increase - May 2022	482,200	0.01	1
Share capital increase - July 2022	160,109	0.01	1
Share capital increase - November 2022	983,200	0.01	1
<b>At 31 December 2022</b>	<b>173,992,346</b>	<b>0.01</b>	<b>192</b>

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.

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### Share price information

Share price 31 December, 2022 (NOK)	4.475
Market capitalization 31 December, 2022 (NOKm)	779



## The Group's shareholders:

Shareholders in Airthings ASA at 31 December 2022	Total shares	Ownership/Voting rights
Firda AS	34,780,124	20%
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%
Koki Yoshioka	4,166,650	2%
TIN World Tech	3,025,292	2%
Brownske Bevegelser AS	3,000,000	2%
Danske Invest Norge Vekst	2,962,962	2%
Bjørn Magne Sundal	2,900,000	2%
Skilling Systemer AS	2,900,000	2%
Møsbu AS	2,814,236	2%
Longfellow Invest AS	2,753,534	2%
Nore-Invest AS	2,450,659	1%
Grotmol Solutions AS	2,434,403	1%
Storlien Invest AS	2,432,000	1%
Verdipapirfondet Storebrand Norge	1,894,800	1%
Centra Invest AS	1,851,851	1%
Other	69,953,406	40%
<b>Total</b>	<b>173,992,346</b>	<b>100%</b>

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%
<b>Total</b>	<b>171,816,437</b>	<b>100%</b>

## Note 10: Earnings per share

(Profit or loss in USD)	4Q 2022	4Q 2021	2022	2021
Profit or loss attributable to ordinary equity holders - for basic EPS	-3,249,688	-1,373,747	-10,565,598	-7,260,506
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-3,249,688	-1,373,747	-10,565,598	-7,260,506
Weighted average number of ordinary shares - for basic EPS	173,592,583	171,719,383	172,826,775	171,306,689
Weighted average number of ordinary shares adjusted for the effect of dilution	176,827,484	178,436,521	177,557,976	178,442,358
<b>Basic EPS - profit or loss attributable</b>	<b>-0.02</b>	<b>-0.01</b>	<b>-0.06</b>	<b>-0.04</b>
<b>Diluted EPS - profit or loss attributable*</b>	<b>-0.02</b>	<b>-0.01</b>	<b>-0.06</b>	<b>-0.04</b>

\*The ordinary shares are not adjusted for the effect of dilution as the effect of including the additional shares is antidilutive.

## Note 11: Share-based payments

Employees (including members of the 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 December 2022, the Group had 9,046,832 outstanding options with a weighted average strike price of NOK 3.92. Reference is made to note 6.8 of Airthings' 2021 consolidated financial statements for a description of the Group' share option plans.

During 4Q 2022, 39,555 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 December 2022 was estimated on the date of grant using the following assumptions:

Weighted average fair values at the measurement date (NOK)	3.80
Dividend yield (%)	0.00%
Expected volatility (%)	42.54%
Risk-free interest rate (%)	3.30%
Expected life of share options (years)	2.50
Weighted average share price (NOK)	4.10
Weighted average exercise price (NOK)	5.05
Model used	BSM

In 2022, the Group has recognized USD 364 thousands of share-based payment expense in the statement of profit or loss (2021: USD 608 thousands).

As at 31 December 2022, the Group has recognized a social security provision for share-based payment of USD 123 thousands (31 December 2021: USD 1,090 thousands).

## **Note 12: Other factors and significant 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.

## **Note 13: Events after the reporting period**

### **Adjusting events**

There have been no significant adjusting events subsequent to the reporting date.

### *Non-adjusting events*

#### *New App*

Airthings launched its new Airthings consumer app on 5 January 2023. As the leaders in smart indoor air quality monitoring, Airthings seeks to provide data-rich insights and personalized, actionable advice to its customers. Helping them achieve peace of mind. The new Airthings app is the vehicle through which this can be accomplished, with an initial rollout at CES and many new features slated to be introduced throughout 2023 and beyond.

### *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 December, 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 December, 2022 there is no impact on the Group's assets or liabilities.

### *RCF*

Airthings announced a USD 8 million revolving credit facility (RCF) with Danske Bank on 23 January 2023. The RCF will support Airthings's growth ambitions across both the Consumer and Airthings for Business (AfB) segments. The new financing agreement has been entered on favorable commercial terms for a one-year period with annual renewal.

# 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 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.

(USD 1,000)	2022	2021
MRR December	300	239
<b>ARR</b>	<b>3,602</b>	<b>2,866</b>

## 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)	4Q 2022	4Q 2021	2022	2021
Revenue	9,459	10,555	35,424	33,671
<b>EBITDA</b>	<b>-2,755</b>	<b>-3,138</b>	<b>-11,785</b>	<b>-8,035</b>
<b>EBITDA margin</b>	<b>-29%</b>	<b>-30%</b>	<b>-33%</b>	<b>-24%</b>

## 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)	4Q 2022	4Q 2021	2022	2021
Revenue	9,459	10,555	35,424	33,671
Cost of goods sold	3,863	4,487	14,465	13,041
<b>Gross profit</b>	<b>5,596</b>	<b>6,068</b>	<b>20,959</b>	<b>20,630</b>
<b>Gross profit margin</b>	<b>59%</b>	<b>57%</b>	<b>59%</b>	<b>61%</b>

# 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.

# Statement of the Board of Directors and CEO

We hereby confirm that, to the best of our knowledge, that the interim financial statements for the period from 1 January, 2022 to 31 December, 2022, have been prepared in accordance with IAS 34 Interim Financial Statements, and that the information in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and profit or loss taken as a whole. We also confirm that, to the best of our knowledge, the interim report for the full year gives a true and fair view of important events in the accounting period and their influence on the interim report for the full year.

Oslo, 9 February 2023



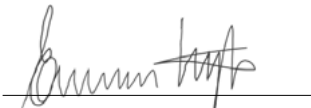
**Geir Førre**  
Chairman of the Board



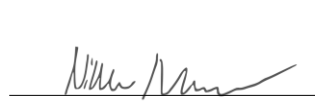
**Liv Dyrnes**  
Board Member



**Lars Boilesen**  
Board member



**Emma Tryti**  
Board member



**Niklas Norin**  
Board member



**Chloe Waller**  
Board member



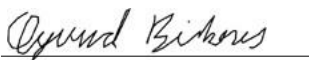
**Fredrik Thoresen**  
Board member



**Karin Berg**  
Board member



**Aksel Lund Svindal**  
Board member



**Øyvind Birkenes**  
CEO





**AIRTHINGS**

**Breathe better. Live better.**