



AIRTHINGS



Third Quarter 2024

WHAT KIDS BUY AND WHY

Muller Van Severen

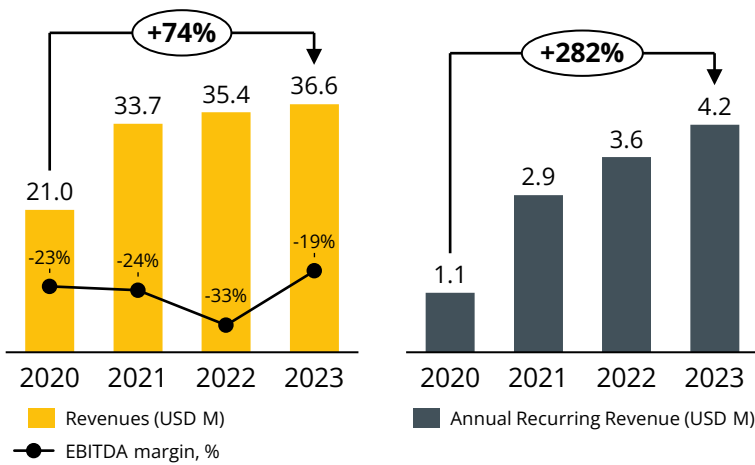


# Airthings at a glance

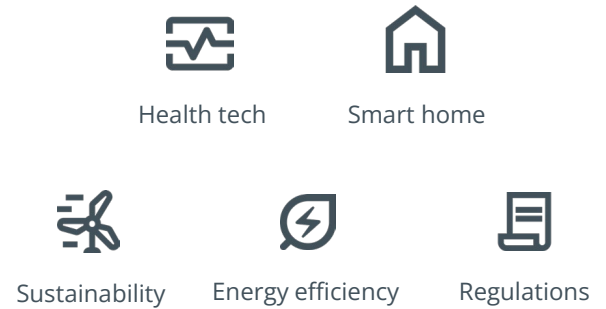
A hardware-enabled software company solving real issues

- Global leader in indoor air quality solutions
- Providing Airthings to people at home, at work and at school
- Empowering people to breathe better
- Increasing demand by changing perceptions

## Strong growth



Supported by the megatrend health tech, people are more and more engaged in the personal health and the category is rapidly increasing

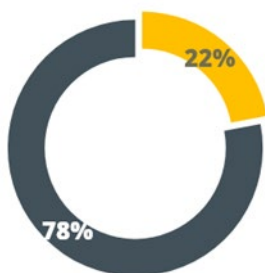


## User-friendly, engaging products, and actionable insights



## International and expanding presence in core markets (revenue split, %)

EMEA



2023

Americas





# Addressing a critical issue

## Health

The air we breathe has significant impact on our health, and yet most of us do not understand it well.

### Safety



Radon-induced cancer



Respiratory problems

### Wellness and performance



Headaches and nausea



Reduced cognitive performance

## Uniquely positioned in a growing global market



**376M**

residential homes in the EU and North America  
**Airthings at home**



**130M**

offices in the EU and North America  
**Airthings at work**



**9M**

classrooms in the EU and North America  
**Airthings at schools**

# Comments from the CEO

I am pleased to report that we have completed the restructuring and reorganization in the third quarter, in line with our plans. We are now well positioned to meet the continued strong underlying demand for our leading indoor air quality solutions. The workforce has been reduced by 20 percent, and we have established a leaner organization and operating model. In line with our updated strategy, we will prioritize segments and solutions that are suitable to accelerate our path towards profitability and long-term value creation.

In the third quarter we achieved revenues of USD 10.0 million, within our range of guidance, and slightly down from the same quarter last year. Revenues in the Consumer segment amounted to USD 7.7 million, corresponding to a revenue growth of 21 percent in the quarter. Safety concerns contributed to increased awareness around indoor air quality, driving demand for our easy-to-use radon devices. Gross profit in the Consumer segment came in at USD 4.2 million in Q3 24, with a gross margin of 54 percent, down 5 percentage points from Q3 23, impacted negatively by channel mix, with a larger share of sales coming from retail where margins were under pressure.

Revenues from the Business segment amounted to USD 1.8 million in Q3 24, down 42 percent year-on-year. The difference was mainly related to one large global enterprise customer deal in the same period last year. Repeat purchases from existing customers, both schools and large businesses, confirmed a high degree of customer satisfaction. Stable annual recurring revenues supported a healthy gross margin of 72 percent in the quarter.

Gross profit for the third quarter was USD 5.8 million, showing a gross margin decline of 3 percentage points compared to the third quarter last year. The decline was caused both by a larger share of total revenues coming from consumer sales, and by the channel mix within the Consumer segment. In line with our updated strategy, we are implementing a more data-driven approach to ensure an optimized supply chain and channel mix going forward. Balancing volumes and margins in retail sales will be important to ensure a good combination of distribution and profitable growth.

We expect the gross margin to fluctuate from quarter to quarter, impacted by product and channel mix in the Consumer segment, and the timing of larger deals in the Business segment. Although this quarter's EBITDA is impacted by the expected one-off restructuring costs, we reiterate our target to become EBITDA positive in the second half of 2025. We also expect that our current operating plans remain fully funded until we reach break-even.

All the best,



**Emma Tryti**  
CEO, Airthings

# Key highlights

**Consumer segment** with quarterly revenues of **USD 7.7M, up 21 percent YoY**, in a quarter driven by large retail events and robust demand for products measuring radon.

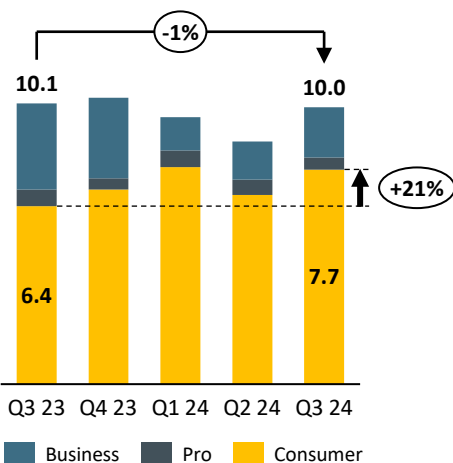
**Reorganization and restructuring completed**, in line with the new strategy.

**Launched Wave Enhance**, received good feedback from both Amazon and leading Nordic retail accounts.

## Q3 revenues of **USD 10.0M**

on par with Q3 last year despite a 42 percent decline in the Business segment.

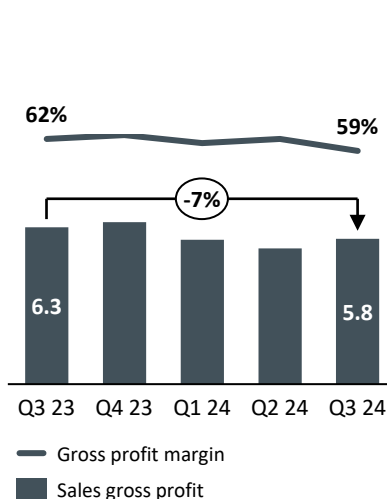
GROUP REVENUES (USD M)



## Q3 gross profit of **USD 5.8M**

down 7 percent from USD 6.3 million in Q3 23. Gross margin impacted by segment and channel mix.

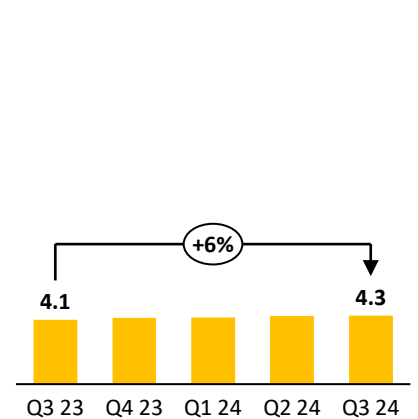
GROSS PROFIT (USD M)\*



## Q3 total ARR of **USD 4.3M**

up 6 percent YoY, supported by increased software sales and low churn in the Business segment.

ANNUAL RECURRING REVENUE (USD M)



\*Alternative performance measures, see page 39-40

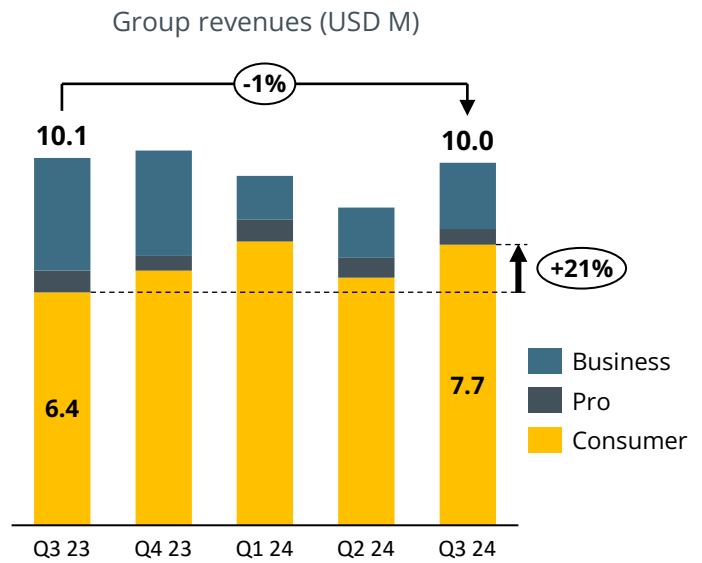
# Operational review

## Revenues and margin development

Airthings delivered revenues of USD 10.0 million in Q3 24, a 1 percent decline compared to the same quarter last year. Revenues in the Consumer segment continued to grow, driven by robust demand for radon products. Sales in the Business segment was down from Q3 last year, but higher than previous quarters this year.

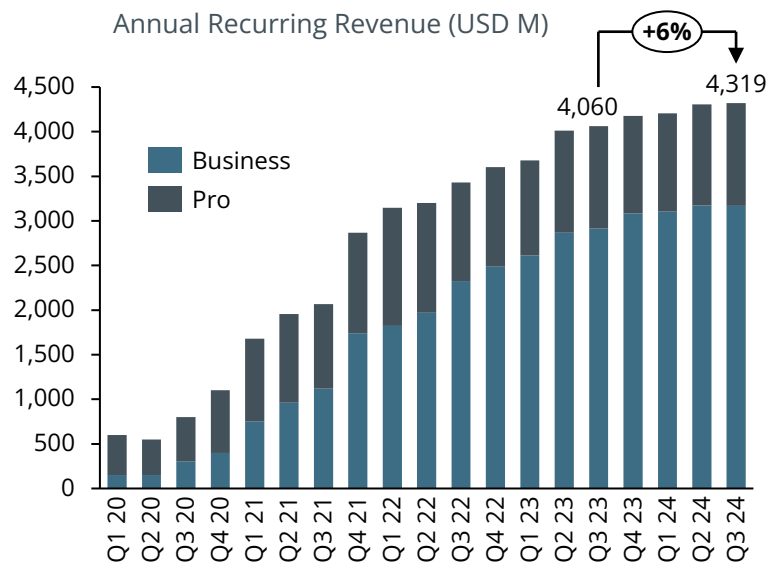
Revenues from the Consumer segment reached USD 7.7 million in Q3 24, up 21 percent year-on-year, driven by growth across all channels, primarily through key distribution partners in retail.

Revenues from the Business segment amounted to USD 1.8 million in Q3 24, down 42 percent year-on-year. Adjusted for one large global enterprise customer deal signed in the same period last year, revenues slightly increased this year.



Annual Recurring Revenue (ARR) came in at USD 4.3 million in Q3 24, within the guided range of USD 4.3 to USD 4.5 million. This represented a 6 percent growth year-on-year. The gross margin from ARR remained above 80 percent in the quarter.

Gross profit was USD 5.8 million in Q3 24, down 7 percent from USD 6.3 million in Q3 23. The gross profit margin was 59 percent in Q3 24, down 3 percentage points compared to Q3 23. The gross margin was impacted negatively by a larger share of total revenues coming from Consumer sales, and by the channel mix within Consumer, with a larger share of sales coming from retail.



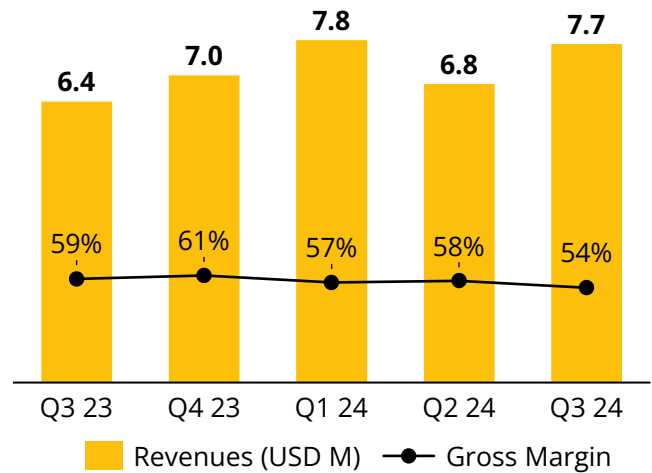
OPEX increased 16 percent year-on-year to USD 7.2 million, mainly due to one-off restructuring costs of USD 0.9 million. Adjusted for this, operational expenses were on par with the expenses in the same quarter last year.

The EBITDA in Q3 24 was negative USD 1.3 million, compared to an EBITDA break-even in Q3 23, negatively impacted by the restructuring costs mentioned above.

# Segment overview

## The Consumer segment

Revenues from the Consumer segment came in at USD 7.7 million in Q3 24, representing a 21 percent year-on-year increase. Growth was mainly driven by increased demand for easy-to-use safety-related products for radon monitoring in the North American market, particularly in Canada, where sales more than doubled across channels. The main sales channel in the quarter was retail, driven by high velocity events. Direct sales through Airthings.com continue to excel, up 42 percent year-on-year, despite generally lower digital sales during the summer.



Number of new device registrations for connected products was 4 percent lower than the equivalent quarter last year, driven by channel and product mix. As a result of increased demand for radon products, sales of Corentium Home, a non-connected radon-sensor, increased 34 percent year-on-year. As this product is not connected it does not count in our current measurement of device registrations. It has passed 10,000 ratings on Amazon during the quarter, achieving 4.6 out of 5 stars, confirming Airthings’ position as the leader in IAQ.

Repeat sales continue to drive more than a quarter of total sales, indicating high customer satisfaction and loyalty, supported by high customer ratings in key channels. Our flagship product View Plus remained the most popular second device purchase.

In September 2024, Airthings launched Wave Enhance, a compact monitor for bedrooms, on Airthings.com, Amazon and through selected retailers. The product received positive reviews and media coverage. Wave Enhance is expected to generate revenues from Q4 24, particularly in the Nordics, where it will be distributed through more than 100 Elkjøp retail outlets.



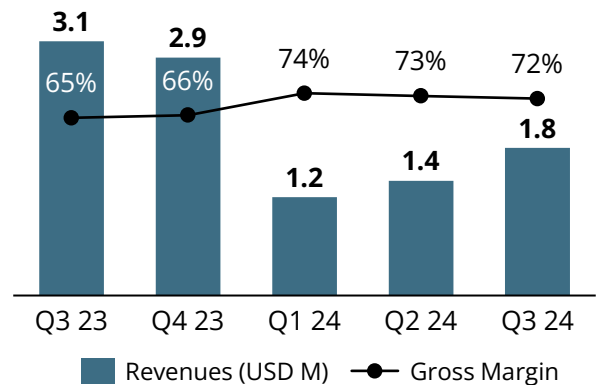
## The Consumer segment

The launch of Airthings Renew in January marked our first entry into the growing air purifier market. The product was well-received, generating widespread positive attention. Despite modest initial sales volumes, we experienced increasing consumer interest and a steady sales growth, reflecting the strong potential for this product category.

Gross profit in the Consumer segment came in at USD 4.2 million in Q3 24, with a gross margin of 54 percent, down 5 percentage points from Q3 23, impacted negatively by a larger share of sales from retail. Retail is an important channel to gain volume and visibility and provides an important platform for growth in the Consumer segment going forward. With increasing underlying demand for our leading indoor air quality solutions, our own channels will become more important. Going forward, we will place greater emphasis on balancing volume and margin. This is particularly important as we expect the large retailers to increase their focus on profitability as consumer purchasing power remain constrained, particularly in the United States.

## The Business segment

Revenues from the Business segment came in at USD 1.8 million in Q3 24, down 42 percent from USD 3.1 million in Q3 23. The year-on-year decline was mainly related to one, large global enterprise customer deal in the same period last year. Gross profit for the Business segment was USD 1.3 million in Q3 24, compared to USD 2.0 million in Q3 23. The gross margin came in at 72 percent, up from 65 percent in Q3 23.



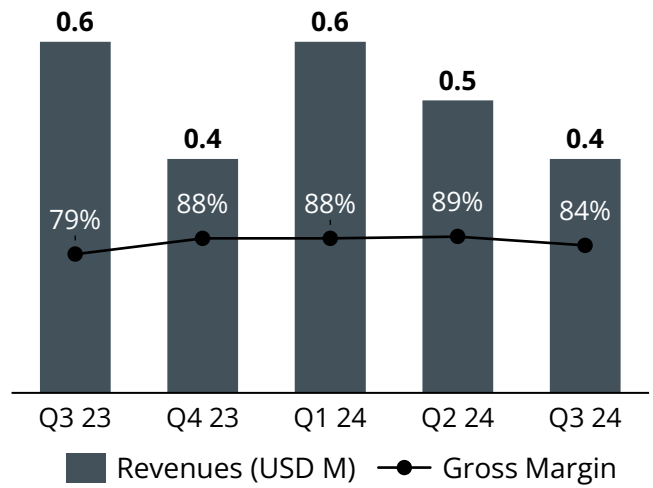
As per the Q2 24 strategy update, proactive direct sales to non-scalable business customers were halted. Instead, we focused on large accounts and increasing business among existing customers. In the third quarter our existing large enterprise customers placed significant amounts of medium-sized orders to prepare for instalments in offices and locations around the world. We have completed deployment with a volume varying from 100s of sensors to 1000s of sensors at four Fortune 500 companies including two large tech companies, a large financial institution and a large healthcare company, strengthening the potential for further baseline sales. The increasing amount of revenues from the Business segment confirms a high degree of strong customer loyalty and satisfaction.

The number of devices in the field increased by 25 percent year-on-year in Q3 24. The growth is mainly driven by increasing demand from large enterprise customers valuing enhanced wellness and performance amongst their employees, enabled by increased awareness from indoor air quality monitoring.

The challenging conditions in the real estate market continued and the company did not record any new larger projects in Q3 24. The pipeline for large projects continued to grow and we maintain a positive long-term outlook for the segment.

## The Professional segment

Revenues from the Professional segment reached USD 0.4 million in Q3 24, declining 33 percent from the same quarter last year. Gross profit was USD 0.4 million in the quarter, with a gross profit margin of 84 percent compared to 79 percent in Q3 23.



# Outlook and guidance

Airthings had revenues of USD 10.0 million in Q3 24, within the USD 9.5 – 11.5 million range of guidance provided in the Q2 24 report. Revenues are expected to increase to USD 9.5- 12.0 million in Q4 24.

We expect the strong growth rate in the Consumer segment to continue in the fourth quarter, which is peak season for air quality monitoring and strategic events. Demand typically increases as the weather gets colder and people spend more time indoors. As in previous years, awareness and demand are expected to increase during the fourth quarter, in connection with Fire Safety event at Home Depot in the United States, Amazon’s global Fall Prime Day, Radon Awareness month in Canada and Black Friday Week events.

We expect the underlying growth in the Business segment to be stable. However, we expect lower revenues in the Business segment in Q4 24 than in the same period last year, which included one large transaction that generated USD 1.4 million in hardware revenue.

Initiatives were successfully completed to reduce complexity by establishing a leaner and more focused operating model and organization, in line with announced objectives. A reduction of the workforce by 20 percent will have full effect from Q1 2025, reducing annual operating expenses by about USD 2.5 million in 2025.

Inventory management remained a focus area in the quarter. The total number of days of inventory ended at 333, a reduction of 13 days from Q2 24. We aim to reduce inventory to 250 days at year end.

Revenues in Q4 24 are expected to be in the range of USD 9.5 - 12.0 million.

In Q4 24, revenues may be negatively impacted by up to USD 1.2 million. Airthings has been approached regarding a possible buyback of inventory due to defective batteries in a product. The particular batteries are limited to one product and one batch of batteries delivered in 2022. Internal assessments of the issue and discussions with the customer regarding a resolution are ongoing. The maximum revenue effect is expected to be USD 1.2 million but can be lower. Airthings expects to conclude in Q4 24. Accurate revenue and EBITDA-effects will be reflected in the Q4 24 report.

ARR at the end of Q4 is expected to be in the range of USD 4.3 – 4.5 million.

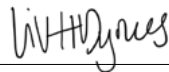
<b>Guidance (USD M)</b>	<b>Q4 2024</b>
Revenues	9.5 – 12.0
Annual Recurring Revenues	4.3 – 4.5



Oslo, 23 October, 2024



**Geir Førre**  
Chairman of the Board



**Liv Dyrnes**  
Board Member



**Aksel Lund Svindal**  
Board member



**Karin Berg**  
Board member



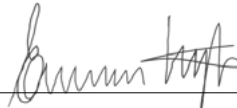
**Niklas Norin**  
Board member



**Anlaug Underdal**  
Board member



**Elisabeth Barrie**  
Board member



**Emma Tryti**  
CEO





# Financials



# Financial highlights (IFRS)

Key financials (USD 1,000)	Q3 2024	Q3 2023	Δ	YTD 2024	YTD 2023	Δ	2023
Total revenues	9,963	10,082	-1%	28,207	26,290	7%	36,592
Gross profit	5,839	6,258	-7%	17,041	15,750	8%	22,290
Gross margin	59%	62%		60%	60%		61%
EBITDA	-1,334	73		-4,840	-5,868		-6,832
EBIT	-1,859	-318		-6,319	-7,020		-8,349
Profit (loss) before tax	-1,968	-555		-5,509	-5,984		-8,030
Annual Recurring Revenue	4,319	4,060	6%	4,319	4,060	6%	4,175

## 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 7.2 million in Q3 24 and USD 21.8 million for the first nine months of 2024 (YTD 2024), up 1% YoY from USD 21.6 million from first nine months of 2023 (YTD 2023). Includes restructuring costs of USD 0.9 million (see note 6). After controlling for currency effects capitalization of intangible assets and grants, the overall cost base has held relatively constant and from YTD 2023 despite significant inflationary pressures on wages and prices as well as payroll tax increases in Norway.

**EBITDA** came in at negative USD 1.3 million in the quarter and negative USD 4.8 million YTD 2024.

**Depreciation and amortization** was USD 0.5 million in Q3 24 and USD 1.5 million YTD 2024, driven by depreciation of internally generated intangible assets and right-of-use assets for the period for leases recognized under IFRS 16 (see note 7).

**EBIT** came in at negative USD 1.9 million in Q3 24 and negative USD 6.3 million YTD 2024.

**Net financial items** consist primarily of exchange rate fluctuations between USD and NOK, interest expense on the growth loan from Innovation Norway, and interest expense on the IFRS 16 lease liability.

**Loss before taxes** ended at USD 2.0 million in Q3 24 and negative USD 5.5 million YTD 2024.

**Tax income** was USD 0.2 million in Q3 24 and USD 0.9 million YTD 2024 (see note 8). This resulted in a **net loss** of USD 1.8 million in Q3 24 and a **net loss** of USD 4.6 million YTD 2024.

## Consolidated statement of financial position

**Total assets** at the end of Q3 24 were USD 55.8 million (end Q2 24: USD 58.3 million). Non-current assets made up USD 18.5 million (end Q2 24: USD 18.3 million), and current assets USD 37.3 million (end Q2 24: USD 40.0 million). Non-current assets mainly consisted of goodwill, intangible assets, deferred tax assets and right of use assets. Current assets were mainly made up of USD 9.0 million in cash and cash equivalents, inventories and trade receivables. Since 2024, inventories have fallen by USD 1.5 million due to the company's heightened focus on improving its working capital situation.

The book value of **equity** was USD 44.1 million at the end of the quarter (end Q2 24: USD 45.2 million). This equated to an equity ratio of 79.0% (end Q2 24: 77.6%)

**Total liabilities** were USD 11.7 million at the end of Q3 24 (end Q2 24: USD 13.1 million).

Non-current liabilities were mainly made up of the growth loan from Innovation Norway (see note 10) and lease liabilities recognized under IFRS 16. Current liabilities consisted of deferred revenue related to subscription service, public duty taxes, personnel related accruals and other accrued expenses.

## **Consolidated statement of cash flows**

**Total cash and cash equivalents balance** decreased by USD 2.2 million from Q2 24 to USD 9.0 million.

**Cash flow from operating activities** came in at negative USD 1.9 million in Q3 24 and negative USD 3.2 million YTD 2024 mainly driven by a loss before tax offset by positive working capital as a result of the company's heightened focus on improving its working capital situation as well as external financing.

**Cash flow from investment activities** ended at negative USD 0.3 million in Q3 24 and negative USD 0.9 million YTD 2024 driven by capitalization development costs offset by interest on the growth loan from Innovation Norway.

**Cash flow from financing activities** was negative USD 0.2 million in Q3 24 and negative USD 0.7 million YTD 2024 related to payments of lease liabilities recognized under IFRS 16.

# Consolidated statement of profit or loss

Amounts in USD 1,000	Notes	Unaudited				Audited
		Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Revenues	4, 5	9,963	10,082	28,207	26,290	36,592
<b>Total revenues</b>		<b>9,963</b>	<b>10,082</b>	<b>28,207</b>	<b>26,290</b>	<b>36,592</b>
Cost of goods sold	7	4,124	3,824	11,166	10,541	14,302
Employee benefit expenses	6	3,560	2,745	11,026	11,178	15,090
Other operating expenses	6	3,613	3,440	10,854	10,439	14,033
<b>Operating profit or loss before depreciation &amp; amortization (EBITDA)</b>		<b>-1,334</b>	<b>73</b>	<b>-4,840</b>	<b>-5,868</b>	<b>-6,832</b>
Depreciation, amortization and impairment	7	525	390	1,479	1,153	1,517
<b>Operating profit or loss (EBIT)</b>		<b>-1,859</b>	<b>-318</b>	<b>-6,319</b>	<b>-7,020</b>	<b>-8,349</b>
Net financial items		-109	-237	810	1,036	320
<b>Profit (loss) before tax</b>		<b>-1,968</b>	<b>-555</b>	<b>-5,509</b>	<b>-5,984</b>	<b>-8,030</b>
Income tax expense	8	-216	-111	-899	-1,247	-1,772
<b>Profit (loss) for the period</b>		<b>-1,752</b>	<b>-444</b>	<b>-4,610</b>	<b>-4,737</b>	<b>-6,258</b>

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

Equity holders of the parent company		-1,752	-444	-4,610	-4,737	-6,258
--------------------------------------	--	--------	------	--------	--------	--------

## Earnings per share:

Basic earnings per share	12	-0.01	-0.00	-0.02	-0.02	-0.03
Diluted earnings per share	12	-0.01	-0.00	-0.02	-0.02	-0.03



# Consolidated statement of comprehensive income

Amounts in USD 1,000	Notes	Unaudited				Audited
		Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<b>Profit (loss) for the period</b>		-1,752	-444	-4,610	-4,737	-6,258
<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		560	695	-1,668	-3,950	-1,838
<b>Total items that will not be reclassified to profit or loss</b>		<b>560</b>	<b>695</b>	<b>-1,668</b>	<b>-3,950</b>	<b>-1,838</b>
<i>Items that subsequently may be reclassified to profit or loss:</i>						
Exchange differences on translation of foreign operations		14	-3	-1	-1	-3
<b>Total items that may be reclassified to profit or loss</b>		<b>14</b>	<b>-3</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>
<b>Other comprehensive profit (loss) for the period</b>		<b>573</b>	<b>692</b>	<b>-1,669</b>	<b>-3,951</b>	<b>-1,841</b>
<b>Total comprehensive profit (loss) for the period</b>		<b>-1,178</b>	<b>248</b>	<b>-6,279</b>	<b>-8,689</b>	<b>-8,099</b>
<b>Total comprehensive profit (loss) attributable to:</b>						
Equity holders of the parent company		-1,178	248	-6,279	-8,689	-8,099

# Consolidated statement of financial position

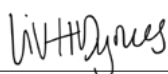
Amounts in USD 1,000	Notes	Unaudited		Audited
		30.09.2024	30.09.2023	31.12.2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	7	2,694	2,665	2,783
Intangible assets	7	3,822	3,290	3,610
Deferred tax assets	8	9,606	7,893	8,849
Property, plant and equipment		469	686	639
Right-of-use assets		1,872	2,600	2,520
Other non-current assets	13	80	115	111
<b>Total non-current assets</b>		<b>18,543</b>	<b>17,249</b>	<b>18,510</b>
<b>Current assets</b>				
Inventories		13,834	15,678	15,320
Trade receivables		9,153	9,095	11,175
Other receivables		5,263	4,433	5,096
Cash and cash equivalents	9	9,029	15,473	14,553
<b>Total current assets</b>		<b>37,279</b>	<b>44,678</b>	<b>46,143</b>
<b>TOTAL ASSETS</b>		<b>55,822</b>	<b>61,927</b>	<b>64,653</b>

Amounts in USD 1,000	Notes	Unaudited		Audited
		30.09.2024	30.09.2023	31.12.2023
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	11	215	215	215
Share premium		86,383	86,362	86,383
Other capital reserves		2,500	2,310	2,359
Other equity		-44,973	-39,284	-38,694
<b>Total equity</b>		<b>44,125</b>	<b>49,603</b>	<b>50,264</b>
<b>Non-current liabilities</b>				
Non-current interest-bearing liabilities	10	1,332	1,318	1,376
Non-current lease liabilities		1,271	2,009	1,903
Other non-current liabilities	13	77	108	108
<b>Total non-current liabilities</b>		<b>2,681</b>	<b>3,436</b>	<b>3,388</b>
<b>Current liabilities</b>				
Current lease liabilities		831	848	885
Trade and other payables		4,997	5,242	6,526
Contract liabilities		1,487	1,292	1,368
Income tax payable			30	73
Other current liabilities	10	1,700	1,476	2,150
<b>Total current liabilities</b>		<b>9,016</b>	<b>8,888</b>	<b>11,001</b>
<b>Total liabilities</b>		<b>11,696</b>	<b>12,324</b>	<b>14,389</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,822</b>	<b>61,927</b>	<b>64,653</b>

Oslo, 23 October 2024



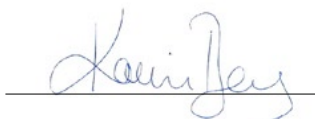
**Geir Førre**  
Chairman of the Board




**Liv Dyrnes**  
Board Member



**Aksel Lund Svindal**  
Board member



**Karin Berg**  
Board member



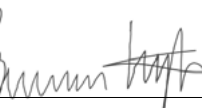
**Niklas Norin**  
Board member



**Anlaug Underdal**  
Board member



**Elisabeth Barrie**  
Board member



**Emma Tryti**  
CEO

# Consolidated statement of cash flows

Amounts in USD 1,000	Notes	Q3 2024	Q3 2023	Unaudited		Audited
				YTD 2024	YTD 2023	2023
<b>Cash flows from operating activities</b>						
Profit (loss) before tax		-1,968	-555	-5,509	-5,984	-8,030
<b>Adjustments to reconcile profit before tax to net cash flows:</b>						
Net financial items		109	237	-810	-1,036	-320
Depreciation, amortization and impairment	7	525	390	1,479	1,153	1,517
Share-based payment expense	13	59	28	141	242	292
<i>Working capital adjustments:</i>						
Changes in inventories		214	490	1,486	3,036	3,394
Changes in trade and other receivables		362	-712	1,855	1,687	-1,057
Changes in trade and other payables and contract liabilities		-1,192	-328	-1,410	-708	606
Changes in other liabilities		-20	-821	-480	-396	194
<b>Net cash flows from operating activities</b>		<b>-1,911</b>	<b>-1,270</b>	<b>-3,248</b>	<b>-2,007</b>	<b>-3,403</b>
<b>Cash flows from investing activities</b>						
Development expenditures	7	-339	-541	-1,113	-1,367	-1,678
Purchase of property, plant and equipment			-66	-14	-92	-92
Interest received		47	93	248	194	395
<b>Net cash flow from investing activities</b>		<b>-292</b>	<b>-514</b>	<b>-879</b>	<b>-1,265</b>	<b>-1,375</b>
<b>Cash flow from financing activities</b>						
Proceeds from issuance of equity	11				7,122	7,143
Proceeds of interest-bearing liabilities	10				1,300	1,300
Payments for the principal portion of the lease liability		-181	-181	-552	-545	-724
Payments for the interest portion of the lease liability		-28	-39	-93	-124	-159
Interest paid		-26	-28	-78	-28	-52
<b>Net cash flows from financing activities</b>		<b>-235</b>	<b>-247</b>	<b>-722</b>	<b>7,724</b>	<b>7,508</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-2,437</b>	<b>-2,032</b>	<b>-4,850</b>	<b>4,452</b>	<b>2,730</b>
Cash and cash equivalents beginning of the period		11,212	17,380	14,553	13,274	13,274
Net foreign exchange difference		254	124	-674	-2,353	-1,451
<b>Cash and cash equivalents at end of the period</b>		<b>9,029</b>	<b>15,473</b>	<b>9,029</b>	<b>15,473</b>	<b>14,553</b>

# Consolidated statement of changes in equity

Amounts in USD 1,000	Share capital	Share premium	Other capital reserves	Other equity		Total equity
				Cumulative translation differences	Retained earnings	
<b>Equity 31 December 2022</b>	192	78,979	2,068	-5,062	-25,248	50,928
Profit (loss) for the period					-4,737	-4,737
Other comprehensive profit (loss)				-3,951		-3,951
<b>Total comprehensive profit (loss)</b>				<b>-3,951</b>	<b>-4,737</b>	<b>-8,689</b>
Capital increase (note 11)	23	7,383				7,406
Transaction cost share issues					-285	-285
Share-based payments (note 13)			242			242
<b>Equity 30 September 2023</b>	<b>215</b>	<b>86,362</b>	<b>2,310</b>	<b>-9,014</b>	<b>-30,270</b>	<b>49,603</b>

Amounts in USD 1,000	Share capital	Share premium	Other capital reserves	Other equity		Total equity
				Cumulative translation differences	Retained earnings	
<b>Equity 31 December 2023</b>	215	86,383	2,359	-6,903	-31,791	50,264
Profit (loss) for the period					-4,610	-4,610
Other comprehensive profit (loss)				-1,684		-1,669
<b>Total comprehensive profit (loss)</b>				<b>-1,684</b>	<b>-4,610</b>	<b>-6,279</b>
Share-based payments (note 13)			141			141
<b>Equity 30 September 2024</b>	<b>215</b>	<b>86,383</b>	<b>2,500</b>	<b>-8,572</b>	<b>-37,469</b>	<b>44,125</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 30 September 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 23 October 2024.

Reference is made to note 4.1 in the Group's consolidated financial statements for the year ended 31 December 2023 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' 2023 consolidated financial statements as of 31 December 2023. 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 2023. 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 shown mixed signals during 2023 and early 2024, with persistent inflationary pressures gradually easing but still remaining above most central bank targets. While interest rates have stabilized at elevated levels, their cumulative impact continues to affect consumer spending patterns and business investment decisions. Retailers and distribution partners maintain cautious inventory management strategies, focusing on operational efficiency and working capital optimization. Though the Business segment has seen some signs of recovery, investment decisions remain measured as companies navigate the evolving economic landscape. The Board continues to monitor the situation carefully.

*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 2023.

#### 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

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.

Q3 2024 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>					
External customers	7,715	1,815	432		9,963
<b>Total revenue</b>	<b>7,715</b>	<b>1,815</b>	<b>432</b>		<b>9,963</b>
Cost of goods sold	3,539	516	69		4,124
Employee benefit expenses	366	840	80	2,274	3,560
Other operating expenses	1,724	192	106	1,591	3,613
<b>EBITDA</b>	<b>2,086</b>	<b>267</b>	<b>177</b>	<b>-3,865</b>	<b>-1,334</b>

Q3 2023 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>					
External customers	6,399	3,117	566		10,082
<b>Total revenue</b>	<b>6,399</b>	<b>3,117</b>	<b>566</b>		<b>10,082</b>
Cost of goods sold	2,616	1,086	122		3,824
Employee benefit expenses	260	812	55	1,618	2,745
Other operating expenses	1,722	212	210	1,296	3,440
<b>EBITDA</b>	<b>1,801</b>	<b>1,007</b>	<b>179</b>	<b>-2,914</b>	<b>73</b>

YTD 2024 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>					
External customers	22,309	4,345	1,553		28,207
<b>Total revenue</b>	<b>22,309</b>	<b>4,345</b>	<b>1,553</b>		<b>28,207</b>
Cost of goods sold	9,778	1,186	202		11,166
Employee benefit expenses	1,230	2,644	231	6,921	11,026
Other operating expenses	4,969	574	352	4,959	10,854
<b>EBITDA</b>	<b>6,331</b>	<b>-59</b>	<b>768</b>	<b>-11,880</b>	<b>-4,840</b>

YTD 2023 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>					
External customers	17,770	6,807	1,713		16,208
<b>Total revenue</b>	<b>17,770</b>	<b>6,807</b>	<b>1,713</b>		<b>16,208</b>
Cost of goods sold	7,986	2,280	275		10,541
Employee benefit expenses	1,315	2,938	214	6,711	11,178
Other operating expenses	4,531	567	417	4,924	10,439
<b>EBITDA</b>	<b>3,938</b>	<b>1,022</b>	<b>807</b>	<b>-11,635</b>	<b>-5,868</b>

2023 (USD 1,000)	Consumer	Business	Professional	Group functions	Consolidated IFRS
<b>REVENUES &amp; PROFIT</b>					
External customers	24,773	9,673	2,145		36,592
<b>Total revenue</b>	<b>24,773</b>	<b>9,673</b>	<b>2,145</b>		<b>36,592</b>
Cost of goods sold	10,735	3,242	325		14,302
Employee benefit expenses	1,667	3,878	290	9,255	15,090
Other operating expenses	6,178	957	590	6,308	14,033
<b>EBITDA</b>	<b>6,193</b>	<b>1,597</b>	<b>941</b>	<b>-15,563</b>	<b>-6,832</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 is 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)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Revenue from contracts with customers	9,869	9,976	27,928	25,975	36,185
Rental income	94	106	278	316	407
<b>Total revenues</b>	<b>9,963</b>	<b>10,082</b>	<b>28,207</b>	<b>26,290</b>	<b>36,592</b>

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

Geographical information (USD 1,000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
EMEA	1,717	1,575	4,935	4,935	7,961
North America (USA and Canada)	8,152	8,400	22,993	21,039	28,224
<b>Total revenue from contracts with customers</b>	<b>9,869</b>	<b>9,976</b>	<b>27,928</b>	<b>25,975</b>	<b>36,185</b>

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

Timing of revenue recognition (USD 1,000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Goods transferred at a point in time	8,968	9,216	25,019	23,556	32,991
Subscription and services transferred over time	900	760	2,909	2,418	3,244
<b>Total revenue from contracts with customers</b>	<b>9,869</b>	<b>9,976</b>	<b>27,928</b>	<b>25,975</b>	<b>36,185</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)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Sales and marketing	4,290	3,884	13,035	13,192	17,706
Research and development	1,603	1,369	4,740	4,977	6,496
General and administrative	1,280	932	4,105	3,448	4,921
<b>Total operating expenses</b>	<b>7,173</b>	<b>6,185</b>	<b>21,880</b>	<b>21,617</b>	<b>29,123</b>
Number of employees	126	125	126	125	129

In August 2024, Airthings communicated its updated strategy which also included a planned workforce reduction of around 20 percent. The reorganization has been completed, in line with the communicated target, and operating expenses of USD 0.9 million have been recognized in Q3 2024.

## 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 (USD 1,000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Depreciation of property, plant and equipment	39	74	149	231	284
Depreciation of right-of-use assets	173	183	537	558	735
Amortization and impairment of intangible assets (see details in the table below)	313	133	794	364	497
<b>Total depreciation, amortization and impairment expenses</b>	<b>525</b>	<b>390</b>	<b>1,480</b>	<b>1,153</b>	<b>1,517</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)	Capitalized development costs	Software & systems	Technology	Goodwill <sup>1)</sup>	Total
<b>Acquisition cost as of 31 December 2022</b>	<b>1,148</b>	<b>1,171</b>	<b>2,383</b>	<b>2,872</b>	<b>7,574</b>
Additions*	1,274	93			1,367
Transfer of finished development projects	-269		269		
Currency translation effects	-79	-84	-176	-207	-546
<b>Acquisition cost as of 30 September 2023</b>	<b>2,074</b>	<b>1,180</b>	<b>2,476</b>	<b>2,665</b>	<b>8,395</b>
<b>Acquisition cost as of 31 December 2023</b>	<b>2,479</b>	<b>1,232</b>	<b>2,583</b>	<b>2,783</b>	<b>9,076</b>
Additions*	1,060		53		1,113
Transfer of finished development projects	-2,306		2,306		
Currency translation effects	-112	-40	-27	-89	-268
<b>Acquisition cost as of 30 September 2024</b>	<b>1,121</b>	<b>1,192</b>	<b>4,914</b>	<b>2,694</b>	<b>9,921</b>
<b>Accumulated amortization as of 31 December 2022</b>		<b>554</b>	<b>1,690</b>		<b>2,244</b>
Amortization charge for the period		241	123		364
Currency translation effects		-44	-124		-168
<b>Accumulated amortization as of 30 September 2023</b>		<b>750</b>	<b>1,690</b>		<b>2,440</b>
<b>Accumulated amortization as of 31 December 2023</b>		<b>864</b>	<b>1,823</b>		<b>2,687</b>
Amortization charge for the period		229	565		794
Currency translation effects		-25	-51		-76
<b>Accumulated amortization as of 30 September 2024</b>		<b>1,068</b>	<b>2,337</b>		<b>3,404</b>
<b>Net book value:</b>					
<b>As of 30 September 2023</b>	<b>2,074</b>	<b>430</b>	<b>786</b>	<b>2,665</b>	<b>5,955</b>
<b>As of 31 December 2023</b>	<b>2,479</b>	<b>370</b>	<b>760</b>	<b>2,783</b>	<b>6,392</b>
<b>As of 30 September 2024</b>	<b>1,121</b>	<b>123</b>	<b>2,578</b>	<b>2,694</b>	<b>6,516</b>
Economic life (years)		5	3-5	Indefinite	
Depreciation plan		Straight-line			

\* Development expenditures

## 1) Goodwill

Airthings performed its annual impairment test for goodwill in December 2023 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 are disclosed in Airthings' consolidated financial statements for the year ended 31 December 2023.

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.

### 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 future. Reference is made to note 2.8 in the Group's consolidated financial statements for the year ended 31 December 2023 for more information.

### Note 9: Revolving credit facility

In 1Q 2023 Airthings secured a USD 8 million revolving credit facility (RCF) with Danske Bank which was renewed in 1Q 2024. The size was reduced to USD 6 million. As of 30 June 2024, USD 0 million of the facility was utilized. The RCF has a tenor of 12 months and falls due 31 March 2025. When the facility is utilized, it will be classified as short-term interest-bearing debt in the financial statements.

Covenants:

1. Borrowing base: Utilized facility < 30% of inventory and 50% of trade receivables excl. trade receivables more than 60 days due
2. Clean-down: Minimum 1 period of 5 working days between 1 September 2024 and 31 March 2025

Covenants will be measured and monitored quarterly. Airthings was compliant with all covenants as of 30 September 2024.

### Note 10: Grants and growth loan from Innovation Norway

In May 2023, Airthings secured funding from Innovation Norway linked to the companies R&D activities with final reporting 31 March 2025. The Company was awarded a maximum grant of 17 MNOK and a growth loan of maximum 24 MNOK of which 5.1 MNOK and 14 MNOK has been received, respectively. The Company has decided to terminate the project following a more focused strategy as communicated to the market in relation to release of the second quarter results on 21 August 2024. The Company expect to maintain the grant of 5.1 MNOK and start to repay the growth loan of 14 MNOK in accordance with the agreed repayment plan of 7 years. First scheduled repayment is expected to be in October 2025.

Covenants related to the Innovation Norway funding (with effect from 30 June 2023):

1. Equity ratio: Equity ratio > 35%
2. Working capital: Working capital > 50 000 000 NOK

Covenants will be measured and monitored quarterly. Airthings was compliant with all covenants as of 30 September 2024.

### Note 11: 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 2022</b>	<b>173,992,346</b>	<b>0.01</b>	<b>192</b>
Share capital increase - February 2023	23,437,500*	0.01	23
<b>At 30 September 2023</b>	<b>197,429,846</b>	<b>0.01</b>	<b>215</b>
Share capital increase - November 2023	328,600	0.01	0
<b>At 31 December 2023</b>	<b>197,758,446</b>	<b>0.01</b>	<b>215</b>
<b>At 30 September 2024</b>	<b>197,758,446</b>	<b>0.01</b>	<b>215</b>

\* Airthings raised NOK 75 million in gross proceeds through a private placement of 23,437,500 shares in the quarter.

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 30 September 2024 (NOK)	2.45
Market capitalization 30 September 2024 (NOKm)	485

**The Group's shareholders:**

Shareholders in Airthings ASA at 30 September 2024	Total shares	Ownership/Voting rights
Firda AS	57,213,289	29%
Holmen Spesialfond	9,298,059	5%
Victoria India Fund AS	5,901,881	3%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,894,522	2%
Erlend Peter Johnsen Bolle	4,819,722	2%
Verdipapirfondet KLP AksjeNorge	4,462,222	2%
Koki Yoshioka	4,166,650	2%
Brownske Bevegelser AS	3,500,000	2%
A Management AS	3,311,098	2%
The Bank Of New York Mellon SA/NV	3,184,042	2%
Spectatio Finans AS	3,170,635	2%
Møsbu AS	2,814,236	1%
Longfellow Invest AS	2,753,534	1%
Jolly Roger AS	2,535,423	1%
Nore-Invest AS	2,450,659	1%
Grotmol Invest AS	2,434,403	1%
Storlien Invest AS	2,432,000	1%
Skilling Systemer AS	2,300,000	1%
Other	64,678,239	33%
<b>Total</b>	<b>197,758,446</b>	<b>100%</b>

**The Group's shareholders:**

<b>Shareholders in Airthings ASA at 31 December 2023</b>	<b>Total shares</b>	<b>Ownership/Voting rights</b>
Firda AS	57,213,289	29%
Victoria India Fund AS	5,901,881	3%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,894,522	2%
Erlend Peter Johnsen Bolle	4,819,722	2%
Verdipapirfondet KLP AksjeNorge	4,462,222	2%
Holmen Spesialfond	4,228,559	2%
Koki Yoshioka	4,166,650	2%
Brownske Bevegelser AS	3,500,000	2%
The Bank Of New York Mellon SA/NV	3,500,000	2%
A Management AS	3,311,098	2%
Danske Invest Norge Vekst	2,962,962	1%
Skilling Systemer AS	2,850,000	1%
Møsbu AS	2,814,236	1%
Longfellow Invest AS	2,753,534	1%
Nore-Invest AS	2,450,659	1%
Grotmol Solutions AS	2,434,403	1%
Storlien Invest AS	2,432,000	1%
Spectatio Finans AS	2,287,877	1%
Other	69,337,000	35%
<b>Total</b>	<b>197,758,446</b>	<b>100%</b>



## Note 12: Earnings per share

(Profit or loss in USD)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Profit or loss attributable to ordinary equity holders - for basic EPS	-1,751,780	-443,713	-4,610,197	-4,737,125	-6,257,752
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-1,751,780	-443,713	-4,610,197	-4,737,125	-6,257,752
Weighted average number of ordinary shares - for basic EPS	197,758,446	197,429,846	197,758,446	193,724,653	194,708,073
Weighted average number of ordinary shares adjusted for the effect of dilution	199,557,078	199,616,676	199,771,230	195,929,825	196,862,214
<b>Basic EPS - profit or loss attributable</b>	<b>-0.01</b>	<b>-0.00</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.03</b>
<b>Diluted EPS - profit or loss attributable*</b>	<b>-0.01</b>	<b>-0.00</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.03</b>

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

## Note 13: Share-based payments

Employees 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 30 September 2024, the Group had 12,608,231 outstanding options with a weighted average strike price of NOK 2.54. Reference is made to note 6.8 of Airthings' 2023 consolidated financial statements for a description of the Group' share option plans.

During Q3 2024, 2,973,274 share options were granted to employees under the Group's share option plan from 2024. The fair value of the options granted during the three months ended 30 September 2024 was estimated on the date of grant using the following assumptions:

Weighted average fair values at the measurement date (NOK)	0.85
Dividend yield (%)	0.00%
Expected volatility (%)	49.12%
Risk-free interest rate (%)	3.73%
Expected life of share options (years)	2.50
Weighted average share price (NOK)	2.74
Weighted average exercise price (NOK)	2.91
Model used	BSM

YTD 2024, the Group has recognized USD 141 thousands of share-based payment expense in the statement of profit or loss (YTD 2023: USD 242 thousands).

As of 30 September 2024, the Group has recognized a social security provision for share-based payment of USD 77 thousands (30 September 2023: USD 108 thousands).

## Note 14: Other factors and significant events

Reference is made to note 6.4 of Airthings' 2023 consolidated financial statements. The key risk areas are discussed below:

Liquidity risk - 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 cash balances and working capital exposure, as well as production commitments to main contract manufacturers. The Group has intensified its focus on optimizing business operations, reducing current and incoming inventories and collecting overdue receivables.

The Group raised NOK 75.0 million in gross proceeds through a private placement of 23,437,500 shares in February 2023. In addition, the Group secured funding from Innovation Norway in the form of a NOK 17.0 million grant and a loan of NOK 24.0 million. NOK 5.1 million of the grant and NOK 14.0 million of the loan were paid out to the Group in 2Q 2023. The Company has decided to terminate the Innovation Norway project (see note 10) and will start repayments in October 2025.

The Group's cash position was USD 9.0 million on 30 September 2024, down from USD 11.2 million on 30 June 2024. The Group also has access to liquidity through a revolving credit facility (RCF) with Danske Bank. This was initially entered for USD 8 million in Q1 23 and renewed for 1 year for USD 6 million in Q1 24. The liquidity risk is hence considered to be at a reasonable level.

Geopolitical risks - the ongoing war in the Ukraine does not impact the Group directly, as it has no operating presence in either Russia, Belarus or Ukraine. However, indirect effects such as general economic market conditions, financial market volatility, sanctions-related knock-on effects or other future responses of

international governments, might have an impact on the Group's financial results and financial position. Similarly, the ongoing war in Israel/Gaza is not currently impacting the Group, although the Group has a very limited exposure through a contract manufacturer near Tel Aviv in Israel. The Group's management continuously monitors these situations and assesses the potential impact on the Group's financial results and financial position.

Climate risk - the Group has considered the impact of climate risks when preparing the Group's interim consolidated financial statements for the period ended 30 September 2024. We have especially considered how our current valuation of assets and liabilities may be impacted by risks related to climate and weather change, waste management, manufacturing, material and sourcing risk and water consumption and innovation for a circular economy, as well as our plans to mitigate those risk factors. Especially, the Group's climate change risk analysis has identified the following:

- Higher energy price fluctuations might affect the Group's manufacturing costs in the short run
- More extreme weather might affect infrastructure, manufacturing/operations, logistics and component scarcity both in the shorter and longer run
- Potential future regulation related to improved battery usage and waste management might lead to changes in product development and manufacturing, potentially increasing manufacturing expenses in the long run

We do not believe that there is a material impact on the financial reporting judgments and estimates arising from our considerations. The valuations of our assets or liabilities have not been significantly impacted by these risks as at 30 September 2024.

## **Note 15: Events after the reporting period**

### **Adjusting events**

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

### **Non-adjusting events**

In Q4 24, revenues may be negatively impacted by up to USD 1.2 million. Airthings has been approached regarding a possible buyback of inventory due to defective batteries in a product. The particular batteries are limited to one product and one batch of batteries delivered in 2022. Internal assessments of the issue and discussions with the customer regarding a resolution are ongoing. The maximum revenue effect is expected to be USD 1.2 million but can be lower. Airthings expects to conclude in Q4 24. Accurate revenue and EBITDA-effects will be reflected in the Q4 24 report.

# 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 YTD 2024 and YTD 2023 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)	Q3 2024	Q3 2023	2023
MRR	360	338	348
<b>ARR</b>	<b>4,319</b>	<b>4,060</b>	<b>4,175</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)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Revenue	9,963	10,082	28,207	26,290	36,592
<b>EBITDA</b>	<b>-1,334</b>	<b>73</b>	<b>-4,840</b>	<b>-5,868</b>	<b>-6,832</b>
<b>EBITDA margin</b>	<b>-13%</b>	<b>1%</b>	<b>-17%</b>	<b>-22%</b>	<b>-19%</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.

<b>Gross profit margin (USD 1,000)</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>	<b>2023</b>
Revenue	9,963	10,082	28,207	26,290	36,592
Cost of goods sold	4,124	3,824	11,166	10,541	14,302
<b>Gross profit</b>	<b>5,839</b>	<b>6,258</b>	<b>17,041</b>	<b>15,750</b>	<b>22,290</b>
<b>Gross profit margin</b>	<b>59%</b>	<b>62%</b>	<b>60%</b>	<b>60%</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.



# AIRTHINGS

