



AIRTHINGS



2Q and first half report 2022



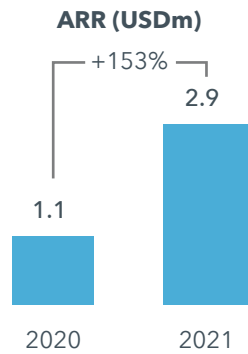
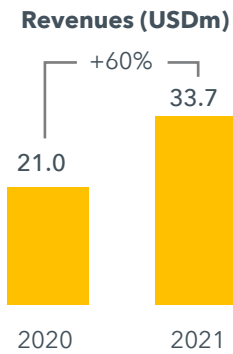


Airthings at a glance

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

Exceptional growth



Supported by lasting factors & megatrends

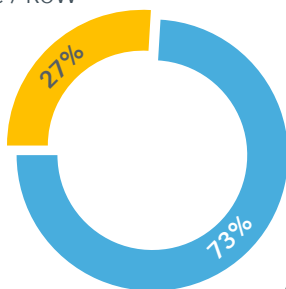
- Health tech
- Smart home
- Sustainability
- Energy efficiency
- Regulations

Delivering elegant products and actionable insights



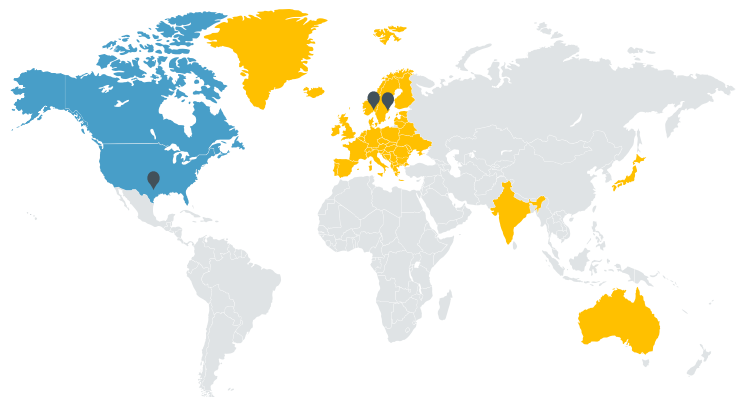
International and expanding presence

Europe / RoW



Americas

2021



Key highlights

1

Strong end-customer demand with **30%+ YoY growth in 2Q**

in consumer device registrations

2

Secured orders from **B&Q in the UK and OfficeWorks in Australia**

strengthening geographical footprint within the consumer segment

3

Signed new **Partnership with Westlabs**

to provide Airthings products to schools and businesses in Australia

4

Agreement to be integrated in **IOT platform for Nordre Follo Municipality**

for indoor air quality and building management

5

2Q sales revenue of **USD 6.9m**

down 10% year-on-year

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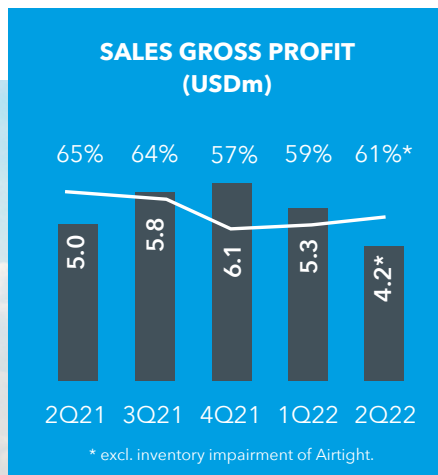
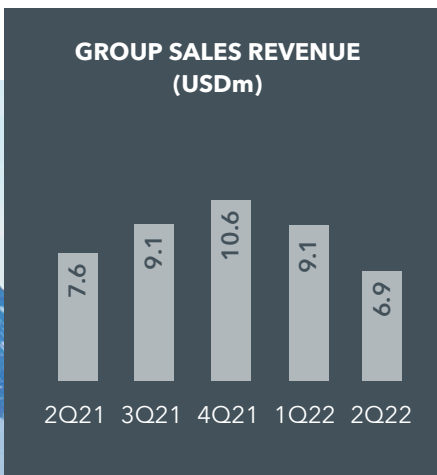
2Q sales gross profit of **USD 4.0m**

gross profit margin of 58%

7

Total ARR reached **USD 3.2m**

up 64% year-on-year

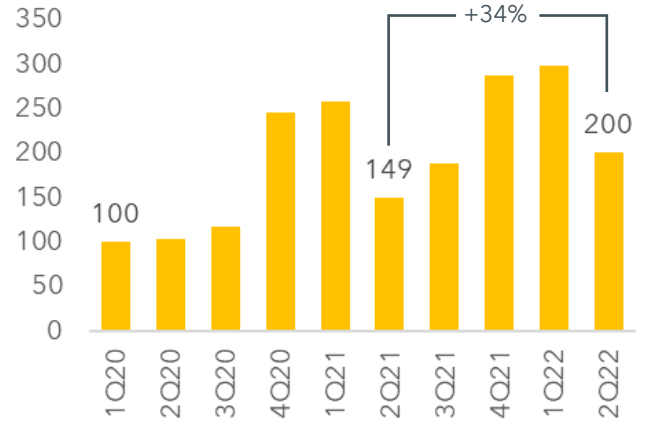


Operational review

Revenue and margin development

Airthings recorded sales revenue of USD 6.9 million in 2Q22, representing a year-on-year decline of 10%. The muted revenue in the second quarter was driven by the Consumer and Pro segments, whereas Airthings for Business continues to see strong revenue growth and opportunity pipeline with both existing and new partners. The soft revenue in the Consumer segment can primarily be attributed to inventory adjustments at retailers and online channels. End-customer demand from the distribution partners remained healthy, with consumer device registrations increasing 34% year-on-year in the quarter.

Consumer Device Registrations
(Indexed - 1Q2020 = 100)

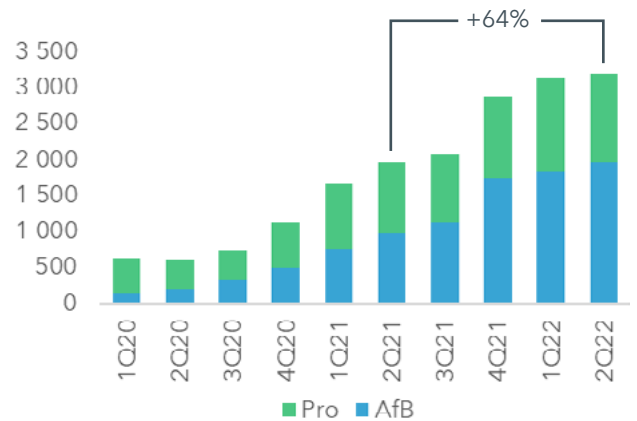


Gross Profit came in at USD 4.0 million, reflecting a gross profit margin (GPM) of 58%. This was 1%-point below the previous quarter. GPM was negatively impacted by approximately 3%-points due to inventory impairments, and absent this effect GPM would have come in at around 61%. As previously communicated, the gross profit margin must be expected to fluctuate across quarters due to changes in product and channel mix, component prices, and other factors.

Annual recurring revenue (ARR)

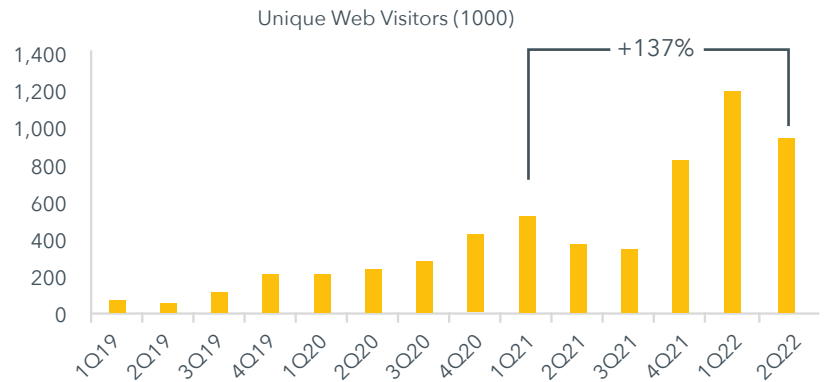
Annual Recurring Revenue (ARR) came in at USD 3.2 million in 2Q22, representing solid growth of 64% year-on-year. The increase mainly reflects the strong growth in Airthings for Business, which accounted for USD 2.0 million of ARR at the end of the quarter.

The slight shortfall compared to the guidance level of USD 3.3-3.7 million reflects a slight decline of USD 0.1 million in the PRO segment. Gross margin from ARR revenue was >80% in 2Q22.



Brand awareness

Airthings continues to grow brand awareness as evidenced by the continued strong growth in the traffic to www.airthings.com. The site reached 903k unique web visitors in 2Q22, representing year-on-year growth of 137%. The company’s targeted PR approach yielded coverage in leading publications around the world also in the second quarter, such as in Newsweek in the US and in Le Figaro in France.



The continued strengthening of brand awareness is in part driven by participation in high exposure events and successful marketing campaigns. In 2Q Airthings participated in the Facilities show in the UK, the Building Owners and Managers Association Conference in the US, Ejendomsmesse in Denmark, and Kvalitetsmässan in Sweden to name a few. Further activities such as the Airthings webinar series and being the official air quality partner of the Champions Chess Tour reached millions of people during the quarter.

Airthings’ brand position and relevance is supported by increasing global awareness on the importance of good indoor air quality, and global megatrends with stricter regulations, advances in health technology post-covid, and a continued sharp focus on sustainability.

During the second quarter, Airthings released its “Breathe Better Report: Airthings Sustainability Journey 2021”, outlining the company’s framework for ESG actions with key priority areas and sustainability highlights from the previous year. Among these, the company reported that they educated over 500,000 people about air quality in 2021, launched a child-focused education program called Air for Kids, completed product lifecycle assessments, and quantified scope one, two, and three emissions for the company. The full report can be found here (www.airthings.com/sustainability).

Airthings is entering the second half of the year with a packed calendar of co-marketing and promotional activities, well-positioned to further boost awareness and brand recognition in new and existing markets.

Outlook and guidance

Airthings delivered revenue of USD 6.9 million in 2Q22. This was within the USD 6.4-7.4 million range outlined in June, when the company revised the revenue guidance for the quarter from the originally outlined USD 8.0-9.0.

USDm	Revenue and ARR Guidance 3Q22
Revenue	7.0 - 11.0
ARR	3.3 - 3.7

The shortfall compared to the initial guidance can primarily be attributed to inventory adjustments at retailers and online channels targeting the Consumer segment. Channel reports indicate that Airthings' end-user sell-through to consumers held up better and more in line with original expectations, with consumer device registrations in 2Q22 up over 30% year-on-year.

Provided that end-customer demand continues on a positive trend, the company expects the negative effect of channel inventory adjustments to be temporary. However, the company recognizes that demand risk has increased on the back of the generally weaker consumer confidence reported globally.

Airthings is therefore taking action to preserve capital and accelerate its path to profitability, through revenue growth, a hiring freeze and modest headcount reduction, other cost initiatives, and focus on optimizing working capital. Especially on reducing days of inventory after intentionally increasing inventory in 2021 and into 2022 due to the global component situation. With these actions the company expects to be sufficiently capitalized for its organic growth plan over the coming years.

Increased market uncertainty is reflected in a wider than normal revenue guidance range of USD 7.0 - 11.0 million for 3Q22. These uncertainties include large potential orders to Airthings for Business and the Consumer segment in 3Q, which if materialized may also be pushed to 4Q. In addition, challenging macroconditions and increased risks related to consumer confidence and spending are reducing visibility for the coming quarter. The global component situation, which had been challenging in prior quarters, appears to be normalizing.

ARR is expected at USD 3.3 - 3.7 at the end of the quarter, corresponding to 60-79% year-on-year growth.

Segment overview

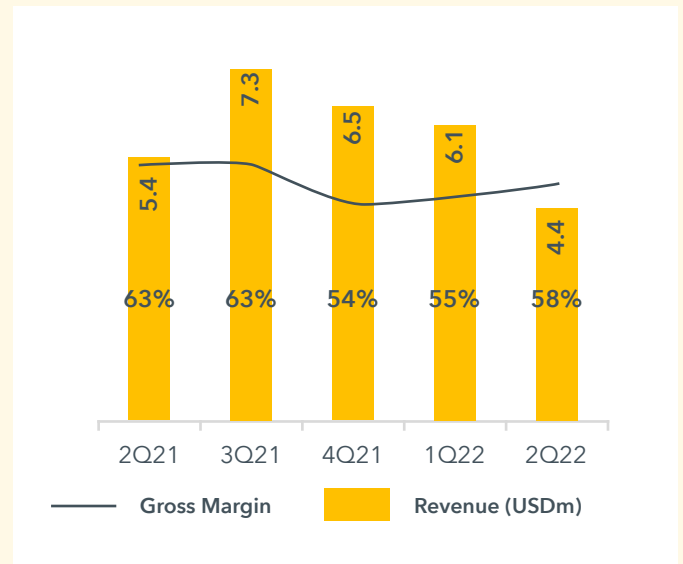
Airthings for Consumer

Revenue from Airthings for Consumer came in at USD 4.4 million in 2Q22 down 19% year-on-year from USD 5.4 million in 2Q21. More challenging macro conditions and declining consumer confidence have reportedly driven channel and retail partners to reduce inventory by up to 30 - 50% in some instances. The actual sell-through to end-customers has held up stronger, with more than 30% year-on-year growth in the number of registered consumer devices in the second quarter. Healthy end-user demand should be an indication that the channel inventory adjustments are temporary, although the company recognizes there is increased demand risk given the weakening consumer confidence figures.

Gross profit for the Consumer segment came in at USD 2.5 million in 2Q22, with a gross profit margin of 58%. This compares to 63% in 2Q21 and 55% in 1Q22. The lower year-on-year margins are mainly driven by increased component costs, elevated campaign activities, and currency fluctuations.

Airthings continued to see promising developments with Amazon in the quarter. Sell-through in shipped units is increasing despite the platform experiencing reduced site-traffic post-COVID. Amazon sales were supported by the platform's Transparency functionality reducing number of unauthorized sellers and stabilizing the average selling price.

Airthings continued its partner expansion in 2Q22. Airthings products are now available in 1,361 Home Depot stores across the U.S., representing 68% of all outlets. The company also expanded with Elkjøp, secured orders from B&Q in the UK, rolled out with OfficeWorks stores in Australia, and partnered with JB Hi-Fi for online distribution. In addition, further product placements are progressing with key retailers such as Walmart, BestBuy Canada, and Canadian Tire.



Airthings for Business (AfB)

Revenue from Airthings for Business came in at USD 2.0 million in 2Q22, up 72% year-on-year and continuing to grow in line with expectations. Revenue growth was mainly driven by continued traction in the company's partner strategy with several new wins also in the second quarter.

AfB continued increasing its share of total revenue to 29%, up from 15% in 2Q21.

The number of devices in the field increased by 198% year-on-year, and the number of devices per building is increasing.

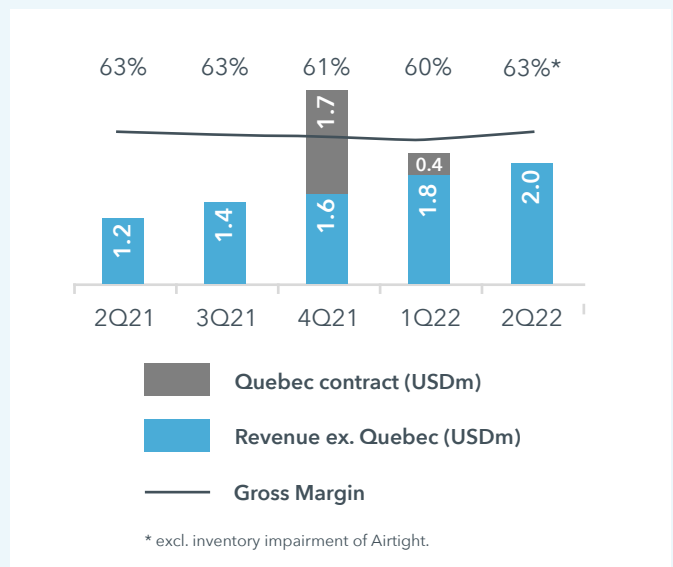
Recurring revenues are less volatile and less sensitive to short-term changes in market sentiment and hence provide a high degree of revenue visibility. A growing ARR base provides a stable platform to continue building Airthings for Business.

Gross profit for Airthings for Business came in at USD 1.1 million in 2Q22, with a margin of 53% compared to 63% in 2Q21 and 60% in 1Q22. The current margin pressure is caused by inventory impairments related to the discontinuance of Airtight. Absent this one-time effect, GPM would have come in at approximately 63%.

Airthings for Business continued to expand its global partner base with several promising developments in 2Q22. The company is partnering with T-Mobile to sell Airthings' solutions through their network in Benelux. New partnerships have been secured with AprilAire and Elta Group, offering strong validation of the

B2B2C concept. In addition, a new partnership was made with Westlabs to provide Airthings solutions to schools and businesses in Australia. In Norway, the municipalities of Hamar and Nordre Follo signed agreements for Airthings to be integrated into their IOT platforms for indoor air quality and building management.

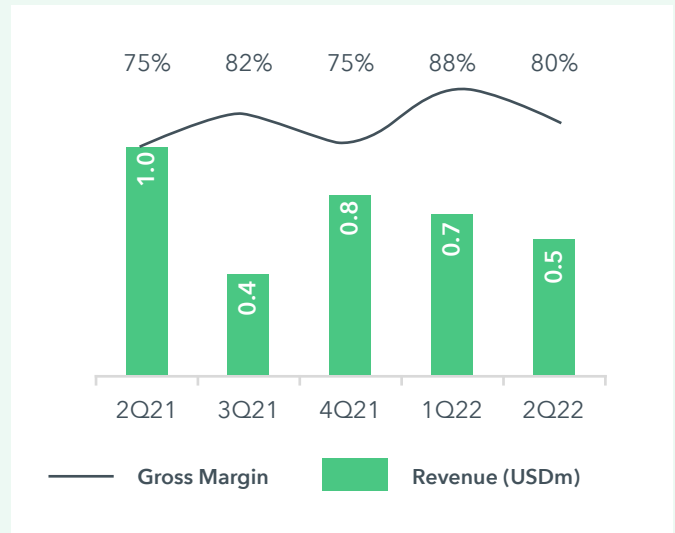
Airthings for Business sees significant potential going forward and is continuously working on opportunities with global players. The US Airthings for Business team has been strengthened with key new hires as part of the restructuring process noted in the 1Q22 report, and the company anticipates this will increase revenue contribution from this largely untapped market.



Airthings for Professionals

Sales revenue from the PRO segment halved year-on-year to USD 0.5 million in 2Q22, reflecting a very challenging US home inspector market. As seen in the prior quarters, buyers have forgone home inspections to compete with other bids in a market with demand outpacing supply. Increasing interest rates may cool the US housing market and reestablish home inspections as a buyer requirement. It is, however, difficult to predict the timing and magnitude of this effect.

Gross profit from the Pro segment was USD 0.4 million in the quarter, with a margin of 80%. This compares with 75% in 2Q21 and 88% in 1Q22.



Oslo, 13 July 2022



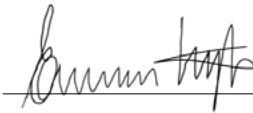
Geir Førre
Chairman of the Board



Liv Dyrnes
Board Member



Lars Boilesen
Board member



Emma Tryti
Board member



Anlaug Underdal
Board member



Tore Helge Rismyhr
Board member



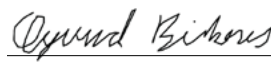
Fredrik Thoresen
Board member



Karin Berg
Board member



Aksel Lund Svindal
Board member



Øyvind Birkenes
CEO

Financials



Photo: Chris Fey / NTB

Financial highlights (IFRS)

Key financials (USD 1,000)	2Q 2022	2Q 2021	Δ	YTD 2022	YTD 2021	Δ	2021
Total revenue	6,851	7,631	-10%	15,913	14,038	13%	33,699
Gross profit	3,979	4,957	-20%	9,306	8,768	6%	20,630
Gross margin	58%	65%		58%	62%		61%
EBITDA	-5,383	-1,857		-8,816	-4,502		-8,035
EBIT	-7,285	-2,189		-11,094	-5,125		-9,371
Profit (loss) before tax	-5,756	-2,082		-9,853	-5,187		-9,315
Annual Recurring Revenue	3,202	1,954	64%	3,202	1,954	64%	2,866

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 9.4 million in 2Q22 and USD 18.1 million for the first half of 2022 (1H22). 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 quarter (see note 6).

EBITDA came in at negative USD 5.4 million in 2Q22 and USD 8.8 million in 1H22.

Depreciation, amortization and impairments during 2Q22 was USD 1.9 million and 2.3 million in 1H22, driven by a one-off cost related to derecognition of the Airtight technology of USD 1.5 million 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 7.3 million in 2Q22 and negative USD 11.1 million in 1H22.

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

Loss before taxes was USD 5.8 million in 2Q22 and USD 9.9 million in 1H22.

Tax income was USD 1.3 million in 2Q22 and USD 2.3 million in 1H22 (see note 8). This resulted in a **net loss** of USD 4.5 million in 2Q22 and USD 7.6 million in 1H22.

Consolidated statement of financial position

Total assets at the end of 2Q22 were USD 66.7 million (end 1Q22: USD 80.3 million), split between non-current assets is USD 15.0 million (end 1Q22: USD 17.4 million), and current assets of USD 51.7 million (end 1Q22: USD 62.9 million). Non-current assets decreased by USD 2.3 million during the quarter mainly due to derecognition of the Airtight technology of USD 1.5 million. Current assets are mainly made up of USD 23.2 million in cash and cash equivalents, as well as inventories and trade receivables. Inventory increased by USD 3.5 million during the quarter (USD 9.8 million year-on-year) due weaker than

forecasted demand in the Consumer segment. The company will have a heightened focus on working capital going forward. The reported equity is USD 53.4 million (end 1Q22: USD 65.5). This equates to an equity ratio of 79.9% (end 1Q22: 81.6%)

Total liabilities were USD 13.4 million at the end of 2Q22 (end 1Q22: USD 14.8). 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 12.4 million from 1Q22 to USD 23.2 million. USD 4.4 million in the decline is attributable to unrealized exchange differences.

Cash flow from operating activities came in at negative USD 7.3 million in 2Q and negative USD 13.7 million in 1H22 mainly driven by a loss before tax in addition to negative working capital due to increase in inventories.

Cashflow from investment activities was negative USD 0.6 million in 2Q22 and negative USD 1.2 million in 1H22 driven mainly by capitalization of internally generated intangible assets.

Cashflow from financing activities was marginal at negative USD 0.2 million in 2Q22 and USD 0.3 million in 1H22 mainly related to payments of lease liabilities.

Consolidated statement of profit or loss

Amounts in USD 1,000	Notes	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Revenues	4, 5	6,851	7,603	15,913	14,010	33,671
Other operating income		0	28	0	28	28
Total revenue and other operating income		6,851	7,631	15,913	14,038	33,699
Cost of goods sold	7	2,872	2,674	6,606	5,270	13,041
Employee benefit expenses	6	4,999	3,723	9,431	7,053	15,127
Other operating expenses	6	4,363	3,092	8,692	6,217	13,566
Operating profit or loss before depreciation & amortization (EBITDA)		-5,383	-1,857	-8,816	-4,502	-8,035
Depreciation and amortization	7	381	332	756	623	1,335
Impairment	7	1,522	0	1,522	0	0
Operating profit or loss (EBIT)		-7,285	-2,189	-11,094	-5,125	-9,371
Net financial items		1,529	108	1,241	-62	55
Profit (loss) before tax		-5,756	-2,082	-9,853	-5,187	-9,315
Income tax expense	8	-1,306	45	-2,271	239	-2,055
Profit (loss) for the period		-4,451	-2,127	-7,582	-5,426	-7,261

Profit (loss) for the year attributable to:

Equity holders of the parent company		-4,451	-2,127	-7,582	-5,426	-7,261
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Earnings per share:

Basic earnings per share	10	-0.03	-0.01	-0.04	-0.03	-0.04
Diluted earnings per share	10	-0.03	-0.01	-0.04	-0.03	-0.04

Consolidated statement of comprehensive income

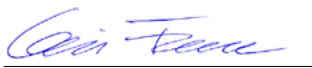
Amounts in USD 1,000	Notes	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Profit (loss) for the period		-4,451	-2,127	-7,582	-5,426	-7,261
Other comprehensive income:						
<i>Items that subsequently will not be reclassified to profit or loss:</i>						
Exchange differences on translation of parent company		-7,721	-238	-7,299	-193	-2,366
Total items that may be reclassified to profit or loss		-7,721	-238	-7,299	-193	-2,366
<i>Items that subsequently may be reclassified to profit or loss:</i>						
Exchange differences on translation of foreign operations		2	0	1	0	14
Total items that may be reclassified to profit or loss		2	0	1	0	14
Other comprehensive profit (loss) for the period		-7,719	-238	-7,298	-193	-2,352
Total comprehensive profit (loss) for the period		-12,170	-2,364	-14,880	-5,619	-9,612
Total comprehensive profit (loss) attributable to:						
Equity holders of the parent company		-12,170	-2,364	-14,880	-5,619	-9,612

Consolidated statement of financial position

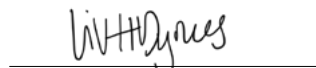
Amounts in USD 1,000	Notes	30.06.2022	30.06.2021	31.12.2021
ASSETS				
Non-current assets				
Goodwill	7	2,841	3,307	3,210
Intangible assets	7	1,495	2,260	2,495
Deferred tax assets	8	6,065	2,661	4,509
Property, plant and equipment		916	758	809
Right-of-use assets		3,488	4,499	4,241
Other non-current assets	11	190	897	1,075
Total non-current assets		14,995	14,383	16,339
Current assets				
Inventories		16,413	6,618	11,429
Trade receivables		9,225	7,229	11,850
Other receivables		2,939	2,414	1,889
Cash and cash equivalents		23,170	54,003	42,174
Total current assets		51,746	70,264	67,342
TOTAL ASSETS		66,742	84,647	83,680

Amounts in USD 1,000	Notes	30.06.2022	30.06.2021	31.12.2021
EQUITY AND LIABILITIES				
Equity				
Share capital	9	191	189	190
Share premium		78,838	78,549	78,669
Other capital reserves		1,922	1,375	1,704
Other equity		-27,600	-8,727	-12,721
Total equity		53,350	71,385	67,842
Non-current liabilities				
Non-current lease liabilities		2,874	4,067	3,803
Deferred tax liabilities		0	324	0
Non-current provisions	11	183	822	1,090
Total non-current liabilities		3,058	5,214	4,892
Current liabilities				
Current lease liabilities		853	618	670
Trade and other payables		6,281	4,806	7,027
Contract liabilities		971	1,084	894
Income tax payable		9	17	27
Current provisions		2,222	1,524	2,328
Total current liabilities		10,334	8,048	10,946
Total liabilities		13,392	13,262	15,838
TOTAL EQUITY AND LIABILITIES		66,742	84,647	83,680

Oslo, 13 July 2022



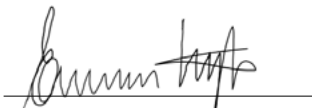
Geir Førre
Chairman of the Board



Liv Dyrnes
Board Member



Lars Boilesen
Board member



Emma Tryti
Board member



Anlaug Underdal
Board member



Tore Helge Rismyhr
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	Notes	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Cash flows from operating activities						
Profit (loss) before tax		-5,756	-2,082	-9,853	-5,187	-9,315
<i>Adjustments to reconcile profit before tax to net cash flows:</i>						
Net financial items		-1,529	-108	-1,241	62	-55
Depreciation, amortization and impairment	7	1,903	332	2,278	623	1,335
Share-based payment expense	11	108	139	218	278	608
<i>Working capital adjustments:</i>						
Changes in inventories		-3,466	-912	-4,984	-1,924	-6,736
Changes in trade and other receivables		2,162	-2,355	1,575	-603	-4,697
Changes in trade and other payables and contract liabilities		-884	876	-670	1,328	3,360
Changes in provisions		173	-231	-1,012	-1,451	-380
<i>Other items</i>						
Tax paid		0	1	0	0	1
Net cash flows from operating activities		-7,290	-4,338	-13,690	-6,873	-15,879
Cash flows from investing activities						
Development expenditures	7	-505	-67	-968	-277	-574
Purchase of property, plant and equipment		-81	-126	-225	-126	-495
Interest received		3	26	3	26	102
Net cash flow from investing activities		-583	-167	-1,190	-377	-968
Cash flow from financing activities						
Proceeds from issuance of equity	9	55	17	170	78	198
Repayment of borrowings		0	0	0	-1,901	-1,901
Payments for the principal portion of the lease liability		-176	-151	-360	-281	-636
Payments for the interest portion of the lease liability		-53	-52	-110	-100	-217
Interest paid		0	0	0	-4	-4
Net cash flows from financing activities		-175	-186	-300	-2,209	-2,560
Net increase/(decrease) in cash and cash equivalents		-8,048	-4,691	-15,193	-9,458	-19,407
Cash and cash equivalents beginning of the period		35,607	58,413	42,174	62,943	62,943
Net foreign exchange difference		-4,389	281	-3,824	518	-1,362
Cash and cash equivalents at end of the period		23,170	54,003	23,170	54,003	42,174

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	
Equity 31 December 2020	188	78,472	1,096	4,314	-7,422	76,648
Profit (loss) for the period					-5,426	-5,426
Other comprehensive profit (loss)				-193		-193
Total comprehensive profit (loss)				-193	-5,426	-5,619
Capital increase (note 9)	1	77				78
Share-based payments (note 11)			278			278
Equity 30 June 2021	189	78,549	1,375	4,121	-12,848	71,385

Amounts in USD 1,000				Other equity		Total equity
	Share capital	Share premium	Other capital reserves	Cumulative translation differences	Retained earnings	
Equity 31 December 2021	190	78,669	1,704	1,962	-14,683	67,842
Profit (loss) for the period					-7,582	-7,582
Other comprehensive profit (loss)				-7,298		-7,298
Total comprehensive profit (loss)				-7,298	-7,582	-14,880
Capital increase (note 9)	1	169				170
Share-based payments (note 11)			218			218
Equity as at 30 June 2022	191	78,838	1,922	-5,336	-22,265	53,350

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 June 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 13 July 2022.

Reference is made to note 4.1 in the Group's consolidated financial statements for the year ended 31 December 2021 for a list of subsidiaries.

Note 2: Basis of preparation and significant accounting policies

The interim consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes. The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union ('EU').

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Airthings' 2021 consolidated financial statements as at 31 December 2021. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of Airthings' consolidated annual financial statements for the year ended 31 December 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim consolidated financial statements have been prepared on a historical cost basis. All figures are presented in United States dollar ('USD') thousands (USD 1,000), except when otherwise stated.

Further, the interim consolidated financial statements are prepared based on the going concern assumption. The Group has so far seen limited business impact related to the Covid-19 pandemic as the consumer demand for its products has in some cases increased due to elevated air quality awareness. In other instances, Covid-19 has led to a pressed semiconductor market which has resulted in increased component prices and delivery delays as production capacity has been held back by component shortage. Also, the pandemic has led to slowed retail store roll-out and limited access to buildings for the business segment. The Board continues to monitor the situation carefully to ensure appropriate measures are taken as the situation continues to unfold during 2022.

Presentation currency and functional currency

Airthings ASA has Norwegian krone ('NOK') as its functional currency and 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 2Q 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 537 thousands (2Q 2021: USD 506 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 607 thousands (2Q 2021: USD 811 thousands) reflects the reversal of lease expenses for the Group's operating leases under NGAAP (2Q 2022: USD 229 thousands, 2Q 2021: USD 203 thousands), in addition to the reclass from OPEX to a reduction of revenue (2Q 2022: USD 378 thousands, 2Q 2021: USD 608 thousands). The IFRS adjustments are mainly related to the Consumer segment.

2Q 2022 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	4,912	1,994	483		-537	6,851
Other operating income						
Total revenue	4,912	1,994	483		-537	6,851
Cost of goods sold	1,845	932	95			2,872
Employee benefit expenses	498	1,094	92	3,315		4,999
Other operating expenses	752	230	274	3,714	-607	4,363
EBITDA	1,817	-262	23	-7,029	69	-5,383

2Q 2021 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	5,937	1,158	1,015		-506	-7,603
Other operating income				28		28
Total revenue	5,937	1,158	1,015	28	-506	7,631
Cost of goods sold	1,988	429	256			2,674
Employee benefit expenses	442	695	60	2,526		3,723
Other operating expenses	507	121	209	3,064	-811	3,092
EBITDA	3,000	-88	489	-5,562	304	-1,857

Group functions and adjustments/ eliminations YTD 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 1,019 thousands (YTD 2Q 2021: USD 848 thousands) is related to consideration payable

to a customer which was previously recognized as OPEX under NGAAP. Under IFRS, this is accounted for as a reduction of revenue.

The adjustment of USD 1,932 thousands (YTD 2Q 2021: USD 2,106 thousands) reflects the reversal of lease expenses for the Group's operating leases under NGAAP (YTD 2Q 2022: USD 471 thousands, YTD 2Q 2021: USD 381 thousands), in addition to the reclass from OPEX to a reduction of revenue (YTD 2Q 2022: USD 1,461 thousands, YTD 2Q 2021: USD 1,725 thousands). The IFRS adjustments are mainly related to the Consumer segment.

YTD 2022 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	11,528	4,234	1,170		-1,019	15,913
Other operating income						
Total revenue	11,528	4,234	1,170		-1,019	15,913
Cost of goods sold	4,608	1,819	179			6,606
Employee benefit expenses	991	2,147	170	6,122		9,431
Other operating expenses	1,564	599	443	8,019	-1,932	8,692
EBITDA	4,365	-331	378	-14,141	913	-8,816

YTD 2021 (USD 1,000)	Consumer	Business	Professional	Group functions	Adjustments/ eliminations	Consolidated IFRS
REVENUES & PROFIT						
External customers	10,599	2,273	1,986		-848	14,010
Other operating income				28		28
Total revenue	10,599	2,273	1,986	28	-848	14,038
Cost of goods sold	3,876	913	481			5,270
Employee benefit expenses	798	1,316	126	4,813		7,053
Other operating expenses	915	227	435	6,745	-2,106	6,217
EBITDA	5,010	-182	944	-11,530	1,258	-4,502

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

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)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Revenue from contracts with customers	6,725	7,473	15,668	13,765	33,172
Rental income	126	129	245	244	499
Total revenues	6,851	7,603	15,913	14,010	33,671

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

Geographical information (USD 1,000)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
EMEA	2,131	2,115	5,787	4,613	9,537
North America (USA and Canada)	4,594	5,358	9,881	9,152	23,635
Total revenue from contracts with customers	6,725	7,473	15,668	13,765	33,172

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

Timing of revenue recognition (USD 1,000)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Goods transferred at a point in time	6,189	7,164	14,495	13,192	31,791
Subscription and services transferred over time	536	309	1,173	573	1,382
Total revenue from contracts with customers	6,725	7,473	15,668	13,765	33,172

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)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Sales and marketing	5,027	3,859	10,231	7,641	16,426
Research and development	2,158	2,056	4,206	3,971	8,110
General and administrative	2,176	899	3,686	1,658	4,157
Total operating expenses	9,362	6,814	18,123	13,270	28,693
Number of employees	143	123	143	123	139

Operating expenses includes a number of one-off costs 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 is being 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 totalling 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 expenses (USD 1,000)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Depreciation of property, plant and equipment	64	67	137	119	256
Depreciation of right-of-use assets	192	176	397	330	737
Amortization and impairment of intangible assets (see details in the table below)	1,647	89	1,744	173	342
Total depreciation, amortization and impairment expenses	1,903	332	2,278	623	1,335

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 1)	Goodwill 2)	Total
Acquisition cost as at 31 December 2020		727	1,770	3,317	5,814
Additions		108			108
Currency translation effects		6	-5	10	-9
Acquisition cost as at 30 June 2021		841	1,765	3,307	5,913
Acquisition cost as at 31 December 2021		1,129	1,864	3,210	6,203
Additions	890	79			968
Currency translation effects	-74	-134	-216	-369	-793
Acquisition cost as at 30 June 2022	816	1,074	1,648	2,841	6,379
Accumulated amortization as at 31 December 2020		119	45		164
Amortization charge for the period		85	88		173
Impairment charge for the period					
Currency translation effects		8	1		9
Accumulated amortization as at 30 June 2021		212	135		346
Accumulated amortization as at 31 December 2021		282	217		498
Amortization charge for the period		153	69		222
Impairment charge for the period			1,522		1,522
Currency translation effects		-41	-159		-200
Accumulated amortization as at 30 June 2022		394	1,648		2,042
Net book value:					
At 30 June 2021		629	1,630	3,307	5,666
At 31 December 2021		847	1,647	3,210	5,705
At 30 June 2022	816	679	0	2,841	4,337
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 has during 2Q 2022 decided to not sell Airtight hardware as a separate product, but rather continue to help customers achieve energy savings through current AfB solution. Airthings sees major optimization opportunities to make existing buildings both smarter and more energy efficient, and the insights gleaned from the differential pressure concept will inform R&D efforts for the AfB portfolio going forward. 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 2021 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 were disclosed in Airthings' consolidated financial statements for the year ended 31 December 2021.

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, in terms of the 2024 financial goals and beyond, 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 normalized consolidated tax rate for the Group are 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)
At 31 December 2020	170,605,637	0.01	188
Share capital increase - February 2021	523,400	0.01	1
Share capital increase - April 2021	112,900	0.01	0
At 30 June 2021	171,241,937	0.01	189
Share capital increase - July 2021	289,600	0.01	0
Share capital increase - October 2021	284,900	0.01	0
At 31 December 2021	171,816,437	0.01	190
Share capital increase - February 2022	550,400	0.01	1
Share capital increase - May 2022	482,200	0.01	1
At 30 June 2022	172,849,037	0.01	191

All shares are ordinary and have the same voting rights and rights to dividends. Reconciliation of the Group's equity is presented in the statement of changes in equity.

No distributions were made to shareholders in the current or prior period. Further, there are no proposed dividends.

Share price information

Share price June 30, 2022 (NOK)	3.69
Market capitalization June 30, 2022 (NOKm)	638

The Group's shareholders:

Shareholders in Airthings ASA at 30 June 2022	Total shares	Ownership/Voting rights
Firda AS	28,961,690	17%
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%
Bjørn Magne Sundal	4,364,999	3%
Koki Yoshioka	4,166,650	2%
Verdipapirfondet EIKA Spar	3,382,067	2%
Skandinaviska Enskilda Banken AB	3,025,292	2%
Skilling Systemer AS	3,000,000	2%
Danske Invest Norge Vekst	2,962,962	2%
Møsbu AS	2,814,236	2%
Longfellow Invest AS	2,753,534	2%
Verdipapirfondet Storebrand Norge	2,617,342	2%
Nore-Invest AS	2,450,659	1%
Grotmol Solutions AS	2,434,403	1%
Storlien Invest AS	2,432,000	1%
Verdipapirfondet EIKA Norden	2,091,104	1%
Other	71,719,670	41%
Total	172,849,037	100%

Shareholders in Airthings ASA at 31 December 2021	Total shares	Ownership/Voting rights
Firda AS	25,826,543	15%
Verdipapirfondet KLP AksjeNorge	7,762,222	5%
Rabakken Invest AS	5,800,364	3%
Atlas Invest AS	5,637,468	3%
Halvor Wøien	4,879,522	3%
Erlend Peter Johnsen Bolle	4,819,722	3%
Victoria India Fund AS	4,558,131	3%
J.P. Morgan Bank Luxembourg S.A.	4,433,967	3%
Bjørn Magne Sundal	4,364,999	3%
Koki Yoshioka	4,166,650	2%
JPMorgan Chase Bank	4,000,000	2%
Verdipapirfondet EIKA Spar	3,382,067	2%
Skandinaviska Enskilda Banken AB	3,025,292	2%
Skilling Systemer AS	3,000,000	2%
Danske Invest Norge Vekst	2,962,962	2%
Møsbu AS	2,814,236	2%
Verdipapirfondet Storebrand Norge	2,657,876	2%
Longfellow Invest AS	2,453,534	1%
Nore-Invest AS	2,450,659	1%
Storlien Invest AS	2,427,533	1%
Other	70,392,690	41%
Total	171,816,437	100%

Note 10: Earnings per share

(Profit or loss in USD)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Profit or loss attributable to ordinary equity holders - for basic EPS	-4,450,725	-2,126,556	-7,581,919	-5,425,705	-7,260,506
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution*	-4,450,725	-2,126,556	-7,581,919	-5,425,705	-7,260,506
Weighted average number of ordinary shares - for basic EPS	172,634,726	171,198,031	172,363,181	171,041,408	171,306,689
Weighted average number of ordinary shares adjusted for the effect of dilution	177,280,890	178,739,520	178,260,684	178,582,897	178,442,358
Basic EPS - profit or loss attributable to equity holders of the parent	-0.03	-0.01	-0.04	-0.03	-0.04
Diluted EPS - profit or loss attributable*	-0.03	-0.01	-0.04	-0.03	-0.04

*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 30 June 2022, the Group had 8,916,067 outstanding options with a weighted average strike price of NOK 3.69. Reference is made to note 6.8 of Airthings' 2021 consolidated financial statements for a description of the Group' share option plans.

During 2Q 2022, 70,396 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 30 June 2022 was estimated on the date of grant using the following assumptions:

Weighted average fair values at the measurement date (NOK)	2.33
Dividend yield (%)	0.00%
Expected volatility (%)	44.91%
Risk-free interest rate (%)	2.66%
Expected life of share options (years)	5.00
Weighted average share price (NOK)	5.57
Weighted average exercise price (NOK)	5.70
Model used	BSM

YTD 2022, the Group has recognized USD 218 thousands of share-based payment expense in the statement of profit or loss (YTD 2021: USD 278 thousands).

As at 30 June 2022, the Group has recognized a social security provision for share-based payment of USD 183 thousands (31 March 2022: USD 682 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.

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 30 June, 2022. However, the risks identified are not considered to have a significant impact on the Group considering the nature of its operations. Potential impacts of climate change are continuously considered in assessing whether assets may be impaired. As of 30 June, 2022 there is no impact on the Group's assets or liabilities.

Note 13: Events after the reporting period

Adjusting events

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

Non-adjusting events

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

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 2022 and YTD 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)	2Q 2022	2Q 2021	2021
MRR June	267	163	239
ARR	3,202	1,954	2,866

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)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Revenue	6,851	7,603	15,913	14,010	33,671
EBITDA	-5,383	-1,857	-8,816	-4,502	-8,035
EBITDA margin	-79%	-24%	-55%	-32%	-24%

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)	2Q 2022	2Q 2021	YTD 2022	YTD 2021	2021
Revenue	6,851	7,603	15,913	14,010	33,671
Cost of goods sold	2,872	2,674	6,606	5,270	13,041
Gross profit	3,979	4,929	9,306	8,740	20,630
Gross profit margin	58%	65%	58%	62%	61%

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.

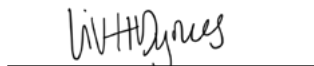
Declaration by the board of directors and CEO

We hereby confirm that, to the best of our knowledge, that the interim financial statements for the period from 1 January, 2022 to 30 June, 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 first half gives a true and fair view of important events in the accounting period and their influence on the interim report for the first half 2022.

Oslo, 13 July 2022



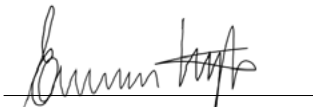
Geir Førre
Chairman of the Board



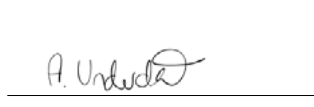
Liv Dyrnes
Board Member



Lars Boilesen
Board member



Emma Tryti
Board member



Anlaug Underdal
Board member



Tore Helge Rismyhr
Board member



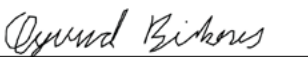
Fredrik Thoresen
Board member



Karin Berg
Board member



Aksel Lund Svindal
Board member



Øyvind Birkenes
CEO



AIRTHINGS

Breathe better. Live better.