

Airthings reports revenue of USD 35.5 million for 2022 and fully underwritten share issue

(Oslo, Norway – February 10, 2023) Airthings (AIRX), the global leader in air quality monitoring and energy-saving solutions, today announced its financial results for the fourth quarter of 2022. Sales revenue came in at USD 9.5 million in 4Q22 and USD 35.5 million for the full year 2022, up 5% from 2021.

Gross profit amounted to USD 5.6 million in the quarter, and USD 21.0 million for the full year 2022. This corresponds to 59% gross profit margin (GPM) for both 4Q22 and 2022, compared to 57% in 4Q21 and 61% in 2021.

Revenue in the quarter ended within the lower end of the revenue range outlined in October and declined 10% from the fourth quarter in 2021. The decline reflects that channel partners in the consumer segment are reducing inventories and that Airthings for Business sees longer sales lead times in the current economic environment.

“End-user demand has held up well, although an uncertain market outlook is driving channel partners to reduce risk and push orders out in time. That said, the inventory levels at our channel partners have decreased significantly throughout 2022 and has affected our revenue, but this is also a potential opportunity going into 2023.” says CEO Øyvind Birkenes in Airthings.

Consumer revenue came in at USD 6.2 million in the quarter (-6%), and USD 23.0 million for the full year (-2%). Airthings did however see a healthy 20% year-on-year growth in annual device registrations for smart products in Consumer in 4Q22, and 23% year-on-year growth for 2022. Revenues from Airthings for Business amounted to USD 2.8 million in 4Q22 (-13%), and USD 10.3 million for 2022 (+49%). Annual recurring revenue (ARR) increased 26% year-on-year to USD 3.6 million, of which Airthings for Business accounted for USD for USD 2.5 million.

Airthings is adapting to the slowdown in revenue growth and the market uncertainties by intensifying its focus on optimizing business operations, reducing inventories, and improving the cash position. Furthermore, the Company will be focused on sharpening the strategic direction of Airthings for Business and enhancing its value proposition, with a key component being the strengthening of the energy optimization offering.

“We believe these are prudent steps to ensure the long-term profitable growth of the company, but it also makes it unlikely we will reach our USD 100 million sales target already in 2024. We remain committed to realize the long-term growth potential of our leading air quality products and technologies, as shown also by our continued and increased support through the capital contribution announced today,” says Chairman of the Board Geir Førre.

For the first quarter 2023 the Company expected revenue to fall within a wide revenue range of USD 8.5 – 11.5 million, with ARR of USD 3.7– 4.0 million expected at the end of 1Q23.

FULLY UNDERWRITTEN SHARE ISSUE

Based on the Company's financial position, and following an offer received from the Company's largest shareholder Firda AS and A Management AS, the board of directors of the Company has resolved to propose a private placement of new shares to raise NOK 75 million in gross proceeds, to be conducted after close of trading on the Oslo Stock Exchange on 13 February 2023 (the "Private Placement"). Firda AS together with A Management AS has committed to subscribe for and be allocated NOK 50 million in such Private Placement, and has agreed to guarantee full subscription of the remaining NOK 25 million at a subscription price of NOK 3.20.

Completion of the Private Placement will be subject to approval by an extraordinary general meeting of the Company.

Firda AS and A Management AS are represented on the Board by Geir Førre and Aksel Lund Svindal, respectively.

The timeline and the detailed terms of the Private Placement will be announced in a separate stock exchange announcement, expected to be published after 16:30 CET on Monday 13 February 2023.

Following completion of the Private Placement, the Board will consider a subsequent offering of new shares (the "Subsequent Offering") to shareholders not allocated shares in the Private Placement. The subscription price in any such Subsequent Offering will be equal to the price in the Private Placement. If completed, it is expected that shareholders of the Company as of close of trading on 13 February 2023, as recorded in VPS on 15 February 2023, who hold shares below a certain threshold, and who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action, will be eligible to participate in the Subsequent Offering.

The Subsequent Offering will, inter alia, be conditional upon (i) completion of the Private Placement, (ii) a resolution of the extraordinary general meeting authorizing the Board to issue the new shares in the Subsequent Offering, (iii) the trading price of the Company's shares exceeding the subscription price, and (iv) publication of a prospectus.

The Board has considered the structure of the equity raise in light of the equal treatment obligations under the Norwegian Public Limited Companies Act, the Norwegian Securities Trading Act, the rules on equal treatment under Oslo Rule Book II for companies listed on the Oslo Stock Exchange and the Oslo Stock Exchange's Guidelines on the rule of equal treatment, and the Board is of the opinion that the transaction structure is in compliance with these requirements.

The share issuance will be carried out as a private placement in order for the Company to complete the equity raise in a manner that is efficient, and is considered to be in the best interest of the Company and its shareholders. The Subsequent Offering, if implemented, will secure that Eligible Shareholders will receive the opportunity to subscribe for new shares at the same subscription price as that applied in the Private Placement.

Carnegie AS acts as manager and bookrunner for the Private Placement and the Subsequent Offering. Advokatfirmaet Schjødt AS is acting as legal advisor to Airthings in relation to the Private Placement and the Subsequent Offering.

PRACTICAL ARRANGEMENTS:

The 4Q 2022 will be presented by CEO Øyvind Birkenes and CFO Jeremy Gerst at 08:00(CET) at Airthings ASA headoffice, Wergelandsveien 7, Oslo, Norway. The presentation is open to the public and can also be followed via the following link:

<https://events.webcast.no/airthings/presentations/4q-2022-presentation>

For questions or interview/meeting requests, please contact:

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About Airthings

Airthings is a global technology company and producer of award-winning radon and indoor air quality monitors for homeowners, businesses, and professionals. Founded in 2008, Airthings is on a mission to ensure that people around the world recognize the impact of indoor air quality and take control of their health through simple, affordable, and accurate technology solutions while optimizing energy consumption in buildings. Airthings' products have made radon detection and indoor air quality monitoring easy to deploy, accurate, and user friendly, and have received several accolades including the TIME's Best Inventions award and CES Innovation Award Honors.

Headquartered in the heart of Oslo, Norway, and with offices in the US and Sweden the company has over 130 employees from more than 35 nationalities—and counting. To see the full range of Airthings indoor air quality monitors and radon detectors or to learn more about the importance of continuous air quality monitoring, please visit airthings.com