2025-03-04

Airthings (AIRX)

Leading the Way in Indoor Air Quality Monitoring

Airthings ASA ("Airthings" or the "Company") provides indoor air quality (“IAQ”) solutions, supported by software. Airthings operates both in B2B and B2C , with ARR projected to grow at a CAGR of 16.6% to 2026, driven by B2B customer acquisitions and service upgrades allowing price increases. In Q2-23, the Company launched the Airthings 3.0 initative, which in 2024 developed into OneAirthings, focusing on profitability through high-margin software and D2C sales while streamlining operations. Airthings is projected to grow at a CAGR of 11.5% until 2026, driven by strong B2C momentum and regulations driving B2B growth, with sales reaching USD 48.4m. Based on a target EV/S multiple of x1.0 for 2026, a potential of 3.04 NOK per share is derived in a Base scenario.

▪ Increase in Awareness Regarding IAQ to Drive Demand

IAQ significantly affects health, with pollutants causing irritations, headaches, and serious conditions like cancer and heart disease. The U.S. Environmental Protection Agency found indoor pollutants to be 2–5 times more concentrated than outdoors. Airthings' premium monitors address IAQ issues, detect radon, and improve energy efficiency while offered at a competitive price, positioning the Company to benefit from rising awareness of poor IAQ risks. In Q4-24, Airthings achieved (adjusted for one-time inventory buyback) 25% y/y B2C sales growth, reflecting the growing public concern and awareness regarding IAQ. Airthings is set to continue to capitalize on this trend, driving strong growth as awareness increases, with an estimated revenue CAGR of 11.5% to 2026, reaching USD 48.4m in 2026.

▪ Strategic Shift Set to Drive Profitable Growth

In Q2-23, The Company launched Airthings 3.0, and in 2024, Airthings announced OneAirthings, further building on Airthings 3.0. The strategic shift focuses on enhancing operational efficiency while prioritizing subscription sales and D2C sales. Subscription sales deliver gross margins exceeding 80%, while D2C sales bypass intermediaries, further improving gross margins. The strategy is already yielding results as total sales for 2024, adjusted for one time inventory buybacks in Q4-24 grew by 7.4% y/y while OPEX, adjusted for restructuring costs in Q3-24, only grew by 2.4% y/y. Analyst Group estimates the 20% workforce reduction which is effective from Q1-25, to drive further OPEX reductions. Reductions estimated at over 2 USDm (7.0% decrease) in 2025, which, combined with an estimated revenue growth of 12% for 2025 is estimated to turn the Company EBITDA positive in H2-25.

▪ Regulatory Tailwinds Drive Demand

EU aims for more efficient energy-usage, as current usage wastes energy and is cost insufficient. The European Performance of Buildings Directive (EPBD) partially addresses this issue by enhancing buildings efficiency, driving demand for energy-efficient solutions, such as Airthings monitors. Airthings enable optimized energy usage, reducing temperatures during off-hours and optimizing HVAC efficiency, saving up to 40% on energy. With Airthings energy-saving features the Company is set to capitalize on regulatory directives, driving B2B revenue to USD 10.1m by 2026, a CAGR of 26% to 2026.

Valuation Range

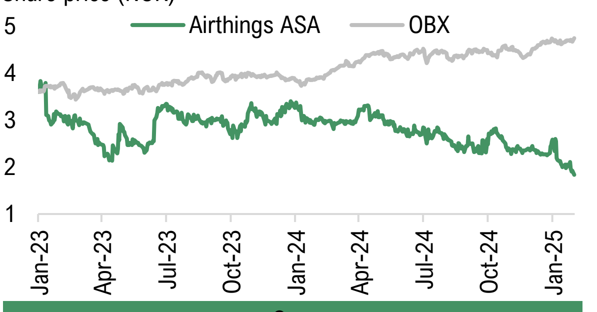
Bear	Base	Bull
NOK 1.67	NOK 3.04	NOK 3.86

Key Information

Share Price NOK (2025-03-04)	1.835
Shares Outstanding	199.3m
Market Cap (NOKm)	366
Net cash(-)/debt(+) (NOKm)	(66)
Enterprise Value (NOKm)	300
List	OsloBørs
Quarterly report 1 2025	2025-05-05

Share Price Development

Share price (NOK)



Owners (Source: Holdings) - Insider

Firda AS (Insider)	28.7%
Holmen Spesialfond	6.3%
Victoria India Funds AS	3.0%
Rabakken Invest As	2.9%
Atlas Invest AS	2.8%

Estimates (USDm)	2023A	2024A	2025E	2026E
Revenue	36.6	38.5	43.6	48.4
COGS	-14.3	-16.8	-16.4	-17.4
Gross Profit	**22.3**	**21.6**	**27.2**	**31.0**
Gross Margin	60.9%	56.2%	62.4%	64.1%
Operating Costs	-29.1	-30.7	-27.2	-28.6
EBITDA	**-6.8**	**-9.1**	**55**	**2.4**
EBITDA Margin	-18.7%	-23.5%	0.1%	5.1%
P/S	1.1x	0.9x	0.8x	0.7x
EV/S	1.0x	0.7x	0.6x	0.6x
EV/EBITDA	N/A	N/A	754x	13x
EV/EBIT	N/A	N/A	N/A	1528x

Introduction

Table of Contents

About the Company

Airthings, founded in 2008 by radon specialized scientists, is a Norwegian tech company that develops and provides technological solutions monitoring the air. Monitoring the air for dangerous indoor air pollutants, such as for radon, while also improving energy efficiency. Although primarily a hardware company, Airthings has developed an enhancing software solution complementing the hardware monitors and strengthening the Company's margins. The Company is listed on OsloBørs since 2020.

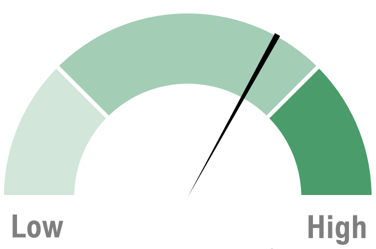
CEO and Chairman

CEO	Emma Tryti
Chairman	Geir Førre

Junior Analyst

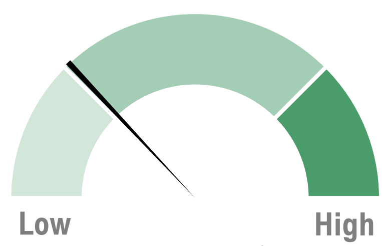
Name	Oscar Isacsson
Phone	+46(0) 733 68 06 70
E-mail	oscar.isacsson@analystgroup.se

Value Drivers



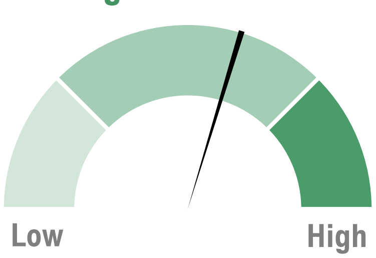
Airthings drives value through the Company's innovative product portfolio within IAQ detection and specifically Airthings niche advantage within Radon detection, set to capitalize on regulatory and societal tailwinds. OneAirthings, a strategic initiative focused on profitability, a key value driver, has recently begun to tap into the potential and is positioned to become a significant value driver.

Historical Profitability



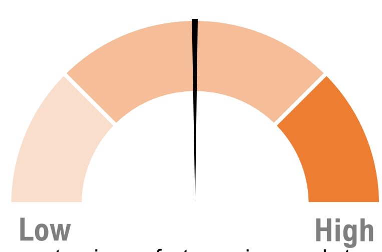
Airthings has been historically unprofitable mainly due to the decline in growth rate from 2021 to 2022 which disrupted the path to profitability, caused by geopolitical and economic uncertainties, especially affecting B2C. In response, management launched the initiative OneAirthings, focusing on profitability and cost-cutting. Analyst Group expect OPEX to decline 7.0% y/y in 2025, with EBITDA turning positive in H2-25, however the grade is solely based on historical profitability.

Management & Board



Airthings is led by a solid team, with CEO Emma Tryti at the helm, who previously served on the Companys board. The board consists of qualified individuals within sales, the technology sector and others. The board is led by chairman Geir Førre a managing partner at Firda AS, holding a 28.9% stake in the Company, which instills confidence in creating shareholder value going forward.

Risk Profile



Airthings operates in an fast-growing market, which could attract competition. However, Analyst Group see clear competitive advantages within Airthings portfolio, showcased by recent market share expansion. Although Airthings has not historically been profitable, strong gross-margins, estimated to reach 64.1% in 2026 along with estimated OPEX-optimization is estimated to carry the Company to a positive cashflow in 2026, reducing the risk.

Investment Thesis

Strategic Shift to Yield Profitable Growth

In Q2-23, Airthings launched Airthings 3.0, a strategic initiative marking a new phase for the Company, and in 2024, Airthings announced OneAirthings, a strategy further building on Airthings 3.0. The objective is to transition from a focus on pure growth to a focus on sustainable profitable growth. Early results have yielded results, as OPEX (adjusted for a one-off restructuring cost of USD 0.9m in Q3-24) only grew by 2.4% in 2024, while revenue (adjusted for inventory buybacks in Q4-24) grew by 7.4% in 2024, validating the success of initial efficiency measures. The Company's strategic shift is built on three key pillars:

Go-to-Market Approach: Airthings is prioritizing direct ownership of customer relationships through the D2C channel. The focus is on expanding the customer base, particularly targeting underrepresented groups such as women and families. This strategy aims to strengthen customer loyalty, increase lifetime value, and enhance margins.

Product Innovation and Value Proposition: The Company is enhancing the product offering, with a particular emphasis on Airthings software platform. By improving the value proposition of Airthings' solutions, the Company aims to differentiate itself in a competitive market while addressing customers' evolving needs, supporting both growth and retention.

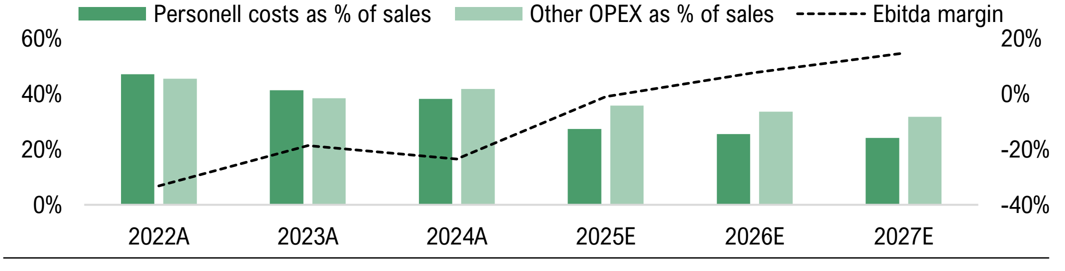
7% OPEX DECLINE IN 2025 EXPECTED TO REACH EBITDA POSITIVE IN H2-25

Operational Efficiency: Airthings is optimizing the Company's operations by automating order fulfilment through an upgraded logistics setup. This new infrastructure, which leverages a global third-party logistics (3PL) provider and optimized freight contracts, reduces costs and improves operational efficiency. The Company is also enhancing cloud computing efficiency by optimizing infrastructure and integrating AI tools for targeted use cases, contributing to further cost reductions.

As Airthings refines the Company's marketing strategy, the D2C platform Airthings.com, plays a pivotal role in the Company's transformation. The Company is increasing focus on this rapidly growing D2C segment, which has substantial long-term potential. The D2C model provides more attractive margins compared to traditional B2C channels by eliminating intermediaries and giving Airthings full control over pricing, despite this the segment has received limited attention in the past. In 2023, Airthings.com grew by 110%, and continued the growth trajectory with a 42% increase in Q3-24, although neither the growth for FY24 and Q4-24 has been disclosed by the Company regarding the D2C. Analyst Group estimates that the momentum will persist, forecasting a 15% CAGR for the D2C segment through 2026. Additionally, the Company has implemented workforce reductions aimed at creating a leaner organization, with financial impacts expected by Q1-25. Analyst Group estimates that these measures, combined with the optimized operating model, will reduce OPEX by over USD 2M (6.5%) in 2025. With an anticipated 12% revenue growth, Airthings is expected to achieve positive EBITDA in H2-25.

OneAirthings Estimated to Fuel EBITDA Margin Expansion

Opex as % of Sales



Source: Airthings ASA, Analyst Group estimates

MARKET GROWTH TO FUEL 11.5% REVENUE CAGR THROUGH 2026

Strong Underlying Market Growth to Drive B2C Demand

The radon detection and IAQ monitoring markets are projected to grow at a 7.0% CAGR through 2026, driven by increased awareness of health risks associated with poor indoor air quality. Airthings is uniquely positioned to capitalize on this growth through innovative products and expanding B2C presence. As demand for solutions that enhance health and safety rises, Airthings' smart, innovative offerings are set to capture a larger market share. Airthings has already demonstrated the ability to outperform the industry, growing by 19.1% from 2019–2024, compared to a 7.2% CAGR in the radon detection market and a 13.4% CAGR in IAQ monitoring, this outperformance underscores the strong demand for Airthings' solutions. Analyst Group expects this strong momentum to continue, with Airthings' sales estimated to reach USD 48.4m by 2026, corresponding to a 9.8% revenue CAGR from to 2026, as Airthings is estimated to continue expanding the Company's market share. As Airthings is continuing to release innovative and smart products, while general awareness regarding IAQ continues to show positive momentum. Analyst Group estimates that this market share expansion, combined with the efficiency measures previously detailed, enables an expanding EBITDA margin, with an estimated EBITDA of USD 2.4m by 2026, corresponding to an EBITDA margin of 5%, compared to an EBITDA margin of -23.5% for 2024.

Investment Thesis

REGULATIONS SUCH AS THE EPBD-DIRECTIVE DRIVES DEMAND FOR AIRTHINGS MONITORS

Beneficial Regulations Regarding Energy Usage

The European Union is focused on reducing energy waste and costs by enhancing energy efficiency. The Energy Performance of Buildings Directive (EPBD), effective from May 2024, aims to improve the energy performance of buildings, as 85% of EU buildings were constructed before 2000 and exhibit low energy efficiency according to the European Comission. Airthings is strategically positioned to capitalize on this regulatory shift since the Company's advanced monitoring solutions enable businesses and property owners to optimize energy consumption by improving lighting, HVAC systems, and indoor temperatures. In alignment with EPBD targets, demand for energy-efficient solutions, such as those provided by Airthings, is anticipated to rise substantially. Analyst Group estimates this regulatory tailwind, coupled with the Company's innovative technology, is expected to fuel a 26.6% CAGR in AFB (Airthings for Business) revenue from 2024 to 2026, with sales projected to reach USD 10.1 million by 2026, up from USD 6.3 million in 2024. Airthings' products not only reduce energy consumption but also enhance indoor air quality, offering a dual advantage. This positions the Company as a preferred partner for businesses and property owners, Analyst Group forecasts a AFB revenue growth CAGR of 26.6% to 2026 for Airthings AFB segment.

Impact of Further Regulations

The B2B segment has grown at a 45% CAGR from 2019 to 2024, despite challenges stemming from the reliance on large deals with a concentrated customer base. Adjusted for a one/time deal in Q4-24, the AFB segment grew 11% in y/y in Q4-24. However, Analyst Group anticipates that as the segment expands, it will become less reliant on individual deals, as the Company has announced that they are more focused on long term recurring revenue, rather than one-time large deals. This shift is expected to be driven by the expansion of the subscription model, which enhances value by offering advanced data insights, ongoing support, and system upgrades. Monitors are linked to prepaid subscriptions, which ensures maximum utilization of the monitors, boosting the value for customers, whilst it entails stronger margins for the Company. As ARR revenues deliver gross margins exceeding 80%. Regulatory tailwinds, including the EPBD, are expected to accelerate high-margin AFB growth for Airthings. Analyst Group projects an 26.6% revenue CAGR to 2026, with revenues reaching USD 10.1M in 2026, fueling a gross margin expansion of 7.9 percentage points, from 56.2% to 64.1% in 2026

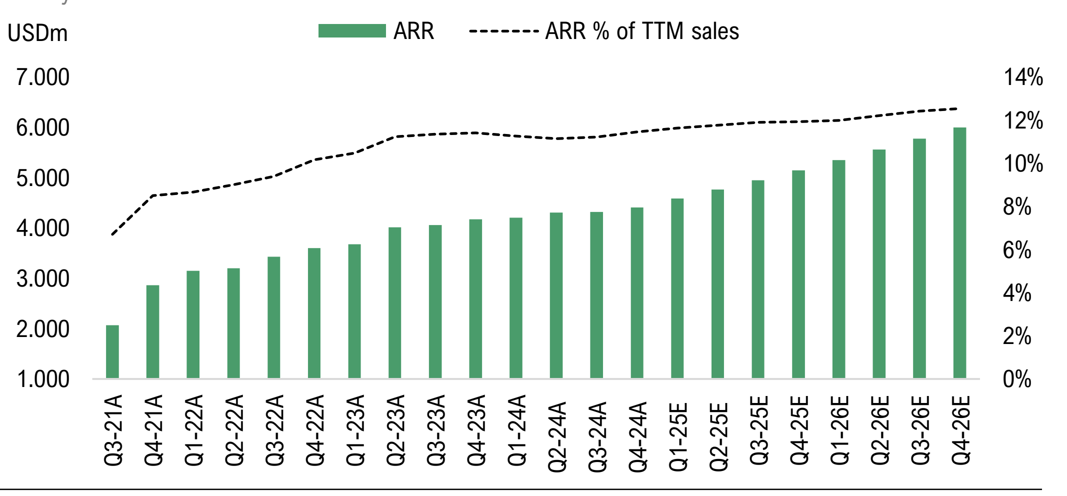
ARR Expansion Crucial Towards Reaching Positive EBITDA

ANALYST GROUP ESTIMATES ARR GROWTH TO CONTRIBUTE TO POSITIVE EBITDA MARGIN OF 5% IN 2026

Airthings' Annual Recurring Revenue (ARR), showing gross margins above 80%, is driven by the Company's B2B subscription model. This model offers businesses advanced analytics, operational efficiency, and cost predictability, reducing upfront investments. Features like energy tracking, occupancy analysis, and ventilation insights help optimize HVAC management, while flexible subscription plans (1-, 3-, and 5-year) allow scalability. A self-service platform simplifies management, and continuous software updates support sustainability and compliance. This dual-benefit model not only delivers significant cost savings and robust platform capabilities to customers, but also enables Airthings to secure a sustainable, high-margin recurring revenue stream. Favorable regulatory shifts, exemplified by stricter air quality mandates combined with an anticipated AFB recovery are expected to drive increased demand, while strategic partnerships and enhanced market visibility further expand the customer base. ARR has grown at a 41% CAGR (2020-2024), outpacing total sales, Analyst Group estimates it to reach USD 6M by 2026, compared to USD 4.4M in 2024, reflecting a 17% CAGR, being a key driver for the estimated EBITDA margin expansion from -24% in 2024 to 5% in 2026.

Consecutive ARR Growt Since 2021

Steady ARR Growth



Source: Airthings ASA, Analyst Group estimates

Business Overview

Strong Presence Within Multiple Segments

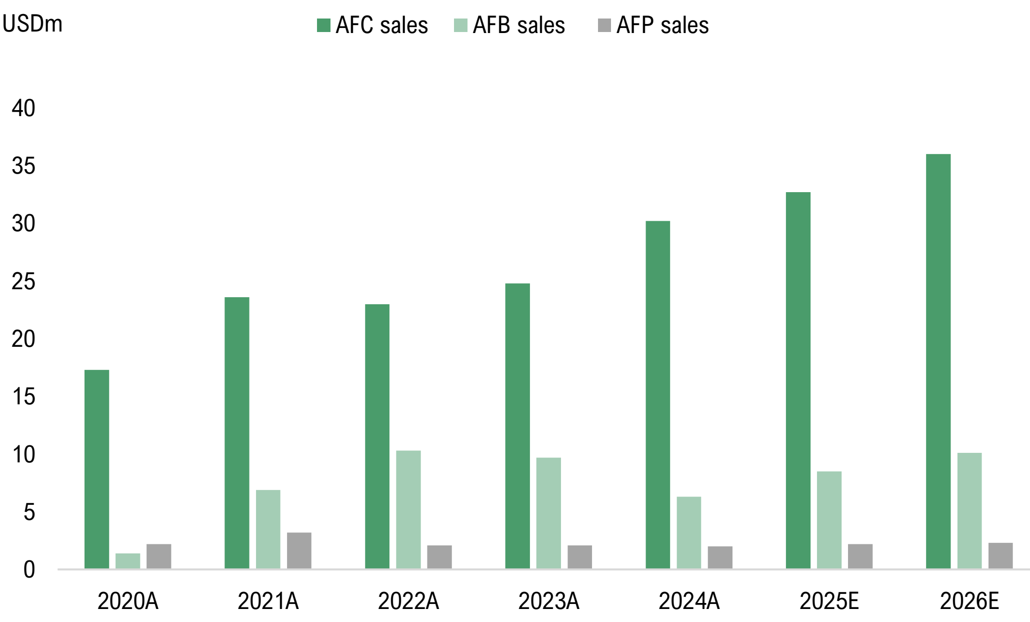
Airthings for Consumer (AFC): AFC is the largest segment, accounting for 78.4% of 2024 sales, and is currently the fastest-growing segment. With a 2024 revenue growth of 21.9% and a 9.8% increase in 2024 gross profit (51% gross margin), AFC has achieved a 15% revenue CAGR from 2020 to 2024, driven by increasing customer awareness of the risks associated with poor indoor air quality (IAQ) and radon. In recent quarters, the Canadian market has seen rapid growth, while high-margin D2C sales through Airthings.com have gained significant momentum. The D2C initiative is designed to enhance the margins, as they cut off the middleman that exists in general B2C sales while increasing Airthings' control over the customer journey. Analyst Group estimates that the strong momentum in AFC will continue, leading to a gross margin improvement, estimated at 64.1% 2026 compared to 60.9% 2023 as D2C sales keep growing.

Airthings for Business (AFB): The second-largest segment, accounts for 16.4% of 2024 sales. Historically, it has grown at an a CAGR of over 60.0% between 2019 and 2023. However, growth has slowed, with a 34.8% decline on a y/y basis due to one-time large deals completed in 2023. In line with OneAirthings, the Company has shifted focus towards higher-margin B2B customers. Consequently, the gross profit for the segment has declined by 30%, compared to a 35% drop in total sales, highlighting an improvement in profitability. Gross margins have increased by 10 percentage points, rising from 66% to 71%, driven by a stronger emphasis on subscription revenues. Analyst Group estimates that AFB will recover as the impact of one-time deals diminishes and regulations drive demand for Airthings' offerings. Recent q/q momentum within AFB has been strong, and as this trend is expected to continue alongside improved profitability, AFB remains a critical component in achieving overall profitability.

Airthings for Professionals (AFP): The smallest segment, accounting for just 5.2% of TTM sales, AFP revolves around the Corentium Pro, a product specifically designed for home inspectors and professionals working in the radon industry. This device features four highly accurate radon detectors working in parallel to ensure maximum performance, reliability, and speed for industry professionals. Between 2019 and 2023, AFP experienced a slight revenue decline, with a CAGR of -0.5%, and a 2024 revenue decline of 7%. However, gross margins have increased from 84.0% to 87.0% over the same period, mitigating the impact of declining revenues. Analyst Group forecasts that while AFP is likely to continue growing at a slower pace compared to other segments, it is expected to return to growth, with an estimated growth of 5 % in the coming years.

Estimated Strong Growth from AFB and AFC

Segment Sales Split



Source: Airthings ASA, Analyst Group estimates

Business Overview

Subscription Model

The subscription model delivers ongoing access to Airthings' innovative monitoring tools, which track indoor air quality in real time and provide actionable insights. These insights are crucial for businesses managing large building portfolios, enabling them to proactively manage facilities, reduce energy consumption, and improve occupant wellness. By offering continuous monitoring, the Company helps clients optimize energy usage, lower operational costs, and meet sustainability goals, positioning Airthings as an essential partner in regards to the growing focus on health and energy efficiency.

Airthings' subscription services also provide customers with enhanced software capabilities, including more advanced energy tracking, occupancy patterns, and ventilation insights. These advanced features allow clients to improve HVAC system efficiency, reduce energy waste, and create healthier, more productive environments. The flexibility of Airthings' subscription plans are ranging from 1 to 5 years and ensures scalability to meet evolving business needs, which is particularly advantageous for larger clients or those managing multiple properties.

The self-service nature of the subscription model streamlines account management, reducing administrative burdens and improving operational efficiency for both Airthings and the Company's customers. This scalable solution not only reduces upfront capital expenditures for customers but also fosters long-term value through customer renewals and continuous software updates, as well as securing high-margin recurring revenues for Airthings.

Airthings' app enhances the customer experience, providing real-time data visualizations, historical graphs, and tailored insights to optimize air quality and energy usage. Future app updates will introduce more personalized journeys and advanced automation features, reinforcing Airthings' position as a leader in indoor air quality management and energy efficiency as well as enabling price hikes.

Proof of Concept

Airthings monitors provide real-time data that can be used to ensure efficient energy usage and reduce costs. For example, by lowering indoor temperatures during off-hours and optimizing ventilation and lighting based on actual need can significantly reduce energy consumption. The monitors also help balance pressure differences in buildings, preventing energy leakage and minimizing waste. Toma, one of the largest facility management companies in the Nordics, demonstrates the benefits of Airthings' monitoring systems. By identifying energy waste during weekends, Toma reduced energy usage by 26% in just one year. Using data provided by Airthings, Toma pinpointed unnecessary heating activities and implemented changes to save energy and reduce costs, these savings of 26% showcase the strong ROI for customers

Impressive Consumer Product Portfolio

IAQ monitors: Airthings manufactures and sells different IAQ monitors, some of which include Airthings' patented radon-detection technology, prices ranging from 799 NOK to 2,999 NOK. The main IAQ products (ranging from most expensive to cheapest) are View Plus, the Wave Plus series, View pollution, Wave Enhance, and Wave Mini. Both Wave mini and View Pollution are specially designed IAQ monitors, View Pollution is specially designed for customers with respiratory conditions that make them ultra sensitive to fine particulate matter. Wave Mini is specially designed to detect mold and evaluate risk of mold growth in warm and humid corners anywhere in the home, whilst View Plus and wave Enhance are more general conventional IAQ monitors.

Air Purifier: Airthings offers the Renew air purifier, along with replacement filters. The Renew features a 4-stage HEPA-13 cleaning system that removes 99.97% of particles as small as 0.3 microns, effectively eliminating particulates, gases, and odors. Although optimized for bedroom use, the Renew performs well in other rooms up to 49 m², cleaning the air in approximately 30 minutes.

Specialized Radon detectors: Airthings has manufactured and provided over half a million patented Radon detectors since 2011. Airthings Radon detector portfolio consists of three core pieces View Radon, Wave Radon, Corentium Home, and Corentium home 2. The main difference being that the Corentium Home is an offline device whch only measures radon. Although these specific detectors are specialized for radon detection, most of Airthings' IAQ monitors also include the patented radon-detection technology.

Market Analysis

IAQ Monitors Usage Case

REGULATORY SUPPORT AND OVERALL GROWING WELLNESS AWARNESS DRIVES GROWTH

In recent years, global indoor air quality ("IAQ") has worsened, largely due to rising levels of external pollution infiltrating indoor environments. Even though studies show most people in the US spend 90% of time indoors, IAQ often receives less attention than outdoor air pollution. Poor IAQ can lead to symptoms such as headaches, dizziness, and impaired cognitive function, while long-term exposure is linked to severe conditions such as respiratory and heart diseases, as well as certain cancers. One particularly hazardous substance is radon, which is commonly found in buildings, especially in basements. Radon exposure is highly dangerous when inhaled over time, as studies have established a direct link between high indoor radon levels and lung cancer. Radon is the second-leading cause of lung cancer worldwide and the leading cause among non-smokers, contributing to unnecessary deaths and significant healthcare costs. According to the WHO, poor IAQ is responsible for approximately 3.2 million premature deaths annually.

Effective IAQ monitoring, such as provided by Airthings, can significantly enhance health and well-being, while also helping to reduce energy waste in buildings, a growing concern as energy costs rise and sustainability becomes a priority. Despite clear benefits, IAQ monitoring adoption remains limited, creating a significant growth opportunity for Airthings. The COVID-19 pandemic has raised global awareness of IAQ, and new regulations, such as the EPBD, are expected to take effect, further supporting the need for IAQ improvements from both a healthcare and sustainability standpoint. The combination of regulatory changes and increasing consumer awareness of wellness is expected to drive growth in the IAQ monitoring market, which is projected to grow at a CAGR of 7.0% until 2026, reaching USD 4400m. Analyst Group estimates that Airthings, as the established leader in radon detection, is well positioned to capitalize on these trends, expanding the Company's market share further, growing 4.5% percentage points faster than the industry as a whole until 2026.

Radon Exposure Causes Unneccesary Risk of Lung Cancer

Dangers of Radon Exposure

Radon Concentration (pCi /L)	% Risk of Lung Cancer Amongst Non-Smokers if Exposed to Implied Concentration Over a Lifetime
20	3.6%
10	1.8%
8	1.5%
4	0.7%
2	0.4%

Source:United States Environmental Protection Agency (EPA)

Competitive Landscape

91% OF ALL AMAZON RATINGS ON CORENTIUM HOME WERE 4/5 OR 5/5 STARS

As the indoor air quality (IAQ) market continues to grow rapidly, increased competition is natural and beneficial. Competition helps raise general awareness, which is advantageous for the entire industry and especially for Airthings, a leading player in the market. Airthings' competitors include IQAir, Awair, and Honeywell. IQAir, Awair, and Airthings are focused purely on IAQ monitoring and air purifiers, while Honeywell is a much larger industrial conglomerate with products spanning many segments. IQAir is the largest competitor in IAQ monitoring, offering products like the AirVisual Pro and Atem X. However, those products tend to be relatively expensive. Awair, on the other hand, is a smaller player mainly targeting the smart-home sector In contrast. Airthings is quickly gaining market share in the broader IAQ monitoring space while maintaining a strong leadership position in the niche of radon detection. Airthings' products are considered more budget-friendly while offering premium quality and maintaining a strong industry reputation, making them highly competitive in the market.

Customer Cases

Airthings and the Company's products have earned a strong reputation, receiving excellent reviews from both B2B and B2C customers, as well as from the Airthings for Professionals (AFP) segment. This is evidenced by numerous positive reviews on Amazon, which is the largest B2C channel for Airthings. For example, Airthings' specially designed radon detectors, such as the Corentium Home, have received over 10,000 reviews on Amazon, with 78.0% rated 5/5 stars and 13.0% rated 4/5 stars. Additionally, the product is ranked as the overall pick on Amazon's website. To earn this distinction, a product must be rated above 4 stars, be purchased frequently, and have a low return rate. This highlights the high quality of Airthings' product portfolio. Tim Heffernan, a well-respected writer in the air and water quality industry, recently praised the Airthings View Plus, particularly noting the user-friendliness.

Financial Forecast

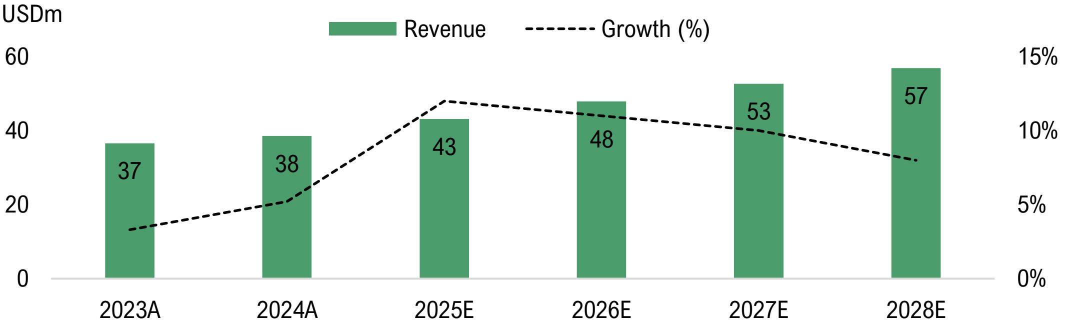
Revenue forecast until 2028

ESTIMATED MARGIN-EXPANSION AS OPEX DECLINES AS % OF SALES

Current revenue distribution on a 2024 basis is approximately 78.4% from B2C sales of IAQ and radon-detection monitors and 21.6% from B2B sales, which consist of both Airthings for Business (AFB) and Airthings for Professionals (AFP). AFB accounts for 16.4% of 2024 sales, while AFP contributes about 5.2% of TTM sales. Annual Recurring Revenue (ARR) represents 11% of total sales on a TTM basis. Analyst groups estimates that the margin-accretive AFB segment is well positioned to recover by H2-25, with an estimated revenue CAGR of 26.6% from 2024 to 2026. This recovery is expected to be driven by several factors: regulatory changes related to energy savings and IAQ pollutants will increase demand for AFB's offerings, along with an anticipated recovery in the construction and renovation industries. In line with OneAirthings, the Company has also strengthened the margins of the AFB segment, increasing gross margins to over 70.0% on a 2024 basis, compared to 66.0% for FY2023. Additionally, AFB has gained positive momentum on a quarter-over-quarter basis. This recovery is expected to boost gross margins for Airthings from 56.2% in 2024 to 67.0% by 2028. The B2C segment, Airthings for Consumer (AFC), grew (adjusted) by 25% in Q4-24. This growth is expected to continue as overall awareness of IAQ-related issues increases. In addition, marketing efforts targeted at B2C customers are becoming more efficient, in line with the OneAirthings directive. While the AFC segment is currently the weakest in terms of profitability, gross margins are expected to improve as sales through the high-margin D2C website (Airthings.com) outpace total AFC sales growth. Analyst Group estimate that the efficiency measures implemented by the Company will reduce OPEX by over USD 2m for 2025 compared to 2024. While revenue continues to grow, this is expected to result in significant margin expansion in the foreseeable future. Furthermore, the 20% workforce reduction is expected to fully take effect by Q1-25, contributing to a positive EBITDA in H2-25, and positive EBITDA from 2026 onward. Both Analyst Group and the Company estimate that the business does not need any further external capital until reaching profitability.

Revenue Estimated to Reach USD 57m by 2028E

Revenue Forecast Until 2028E



Source: Airthings ASA, Analyst Group estimates

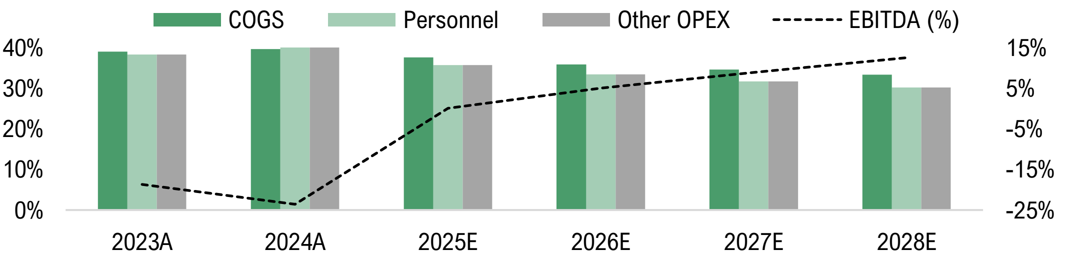
OPEX & COGS Forecast Until 2028E

ESTIMATED OPEX DECLINE OF OVER USD 2m IN 2025E

On a 2024 basis, COGS account for 43.8% of sales and personnel costs account for 38.1% of total sales, while other operating expenses represent 41.7% of sales. In alignment with OneAirthings, the Company has reduced the workforce by 20% to enhance profitability. The full impact of this reduction is expected to materialize by Q1-25. As a result, Analyst Group forecasts that total operating expenses will decrease by over USD 2m in 2025 compared to 2024. Other operating expenses are expected to decrease as a percentage of sales, driven by efficiency initiatives that will reduce logistics and marketing costs. Analyst Group anticipates that other operating expenses will account for 31% of total sales by 2028. Additionally, COGS are expected to decline as a percentage of sales, due to fast growth in the high-margin D2C segment and a recovery in the B2B segment. Consequently, COGS are projected to decrease from 43.8% of 2024 sales to 33% by 2028.

Revenue Estimated to Grow Faster than Costs

Opex & COGS as % of Sales Forecast Until 2028E



Source: Airthings ASA, Analyst Group estimates

Valuation

Peer Valuation: Base Scenario

PEERS TRADING AT MEDIAN 2026E EV/S MULTIPLE OF 1.3X

The peer group consist of publicly traded Nordic companies spanning several fast-growing industries. These peers mostly consists of companies focused on cleantech and industrial air solutions, Such as Absolent Air Care, which produces air cleaning equipment. While none of these companies can be considered direct peers or competitors to Airthings, they share several similarities when viewed within the broader context. For example, both Systemair and Absolent Air Care develops innovative industrial solutions that capitalize on mega-trends regarding IAQ as well. Companies like Zaptec and Energy Save, are fast growing cleantech companies estimating to turn profitable, similar to Airthings.

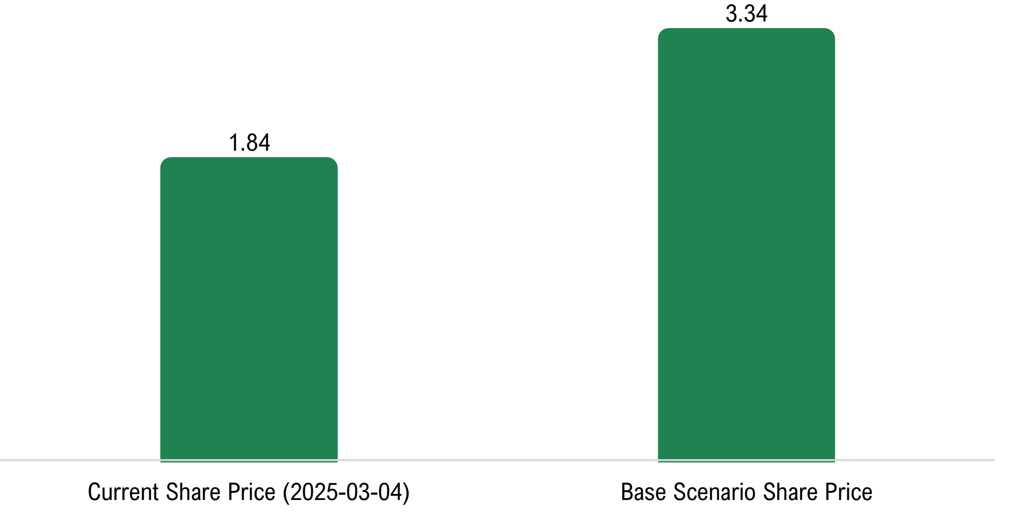
NOKm	MCAP	EV	Revenue TTM	EBIT TTM	Revenue CAGR 2019-2023	Gross margin TTM	EV/S TTM	EV/S 2026E
Absolent Air Care	3.167	3.437	1.454	208	8%	43%	2.3	1.7
Zaptec	1.641	1.666	1.267	21	73%	39%	1.3	0.9
Energy Save	140	112	246	-22	97%	32%	0.5	0.3
Systemair	18.279	19.340	12.639	996	10%	36%	1.5	1.3
M Vest Water	340	340	23	-24	40%	46%	15.1	4.4
Average	4.713	4.979	3.126	236	45%	39%	4.1	1.7
Median	1.641	1.666	1.267	21	40%	39%	1.5	1.3
Airthings	**366**	**300**	**429**	**-153**	**31%**	**56%**	**0.7**	**0.6**

Source: Bloomberg, Analyst Group estimates

A sales multiple is a justified method for valuing Airthings, as the Company is currently not profitable. This approach is reasonable given that Airthings has prioritized growth and market share over short-term profitability. Although an inflection point toward profitability is anticipated in 2025, utilizing a profit-based multiple, such as EBITDA, would not accurately capture Airthings' current operations and growth trajectory. Consequently, a sales multiple is deemed more appropriate, as it reflects the Company's strong historical growth, compelling future prospects, and solid gross margins.

NOK 3.04 BASE SCENARIO

In the Base scenario, a 1.0x 2026 sales multiple has been applied, representing a 20% discount relative to the peer group median of 1.3x. This conservative discount is designed to account for the higher risks associated with Airthings' smaller size and its earlier stage in establishing consistent profitability. While Airthings has demonstrated strong ARR growth, with a 41% CAGR from 2020 to 2024 and strong sales growth with a 16% CAGR from 2020 to 2024, its historical challenges in reaching sustained profitability necessitate this risk adjustment. Consequently, the implied potential price per share is NOK 3.04, overall, the valuation reflects both the inherent risks of Airthings' current stage and the substantial upside potential if the Company successfully scales its operations and improves profitability.



Bull & Bear

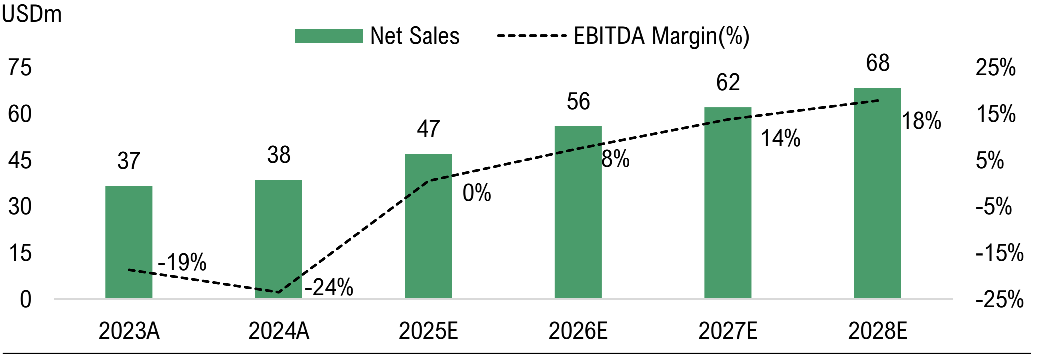
NOK 3.86 PER SHARE IN BULL SCENARIO

Bull Scenario

In a Bull scenario, market tailwinds are expected to strengthen significantly, driven by robust regulatory developments in both the EU and the US regarding energy efficiency and indoor air quality (IAQ) from a healthcare and energy perspective. This increased demand is projected to accelerate gross margin expansion, with gross margins reaching 70% by 2028, compared to 67% in the Base scenario. Revenue from the B2C segment is also expected to see even stronger growth, fueled by progress within the high-margin D2C channel, validating the effectiveness of the OneAirthings initiative. This growth is projected to push revenues above USD 69m by 2028. The operational efficiencies achieved through OneAirthings, particularly in marketing and logistics, are anticipated to result in other operating expenses representing 29% of 2028 sales, an improvement from the 31% estimated in the base case. This will support an EBITDA margin of 17.5% by 2028, with EBITDA reaching USD 12 million. Sales in 2026, in this bull scenario are expected to total USD 56.5m. Applying a target multiple of 1.3x 2026 sales, in line with the peer group median valuation applicable, due to the strong margin and sales development, yields a potential price of NOK 3.86 per share in a Bull scenario.

EBITDA of USD 12m in 2028E Bull Case

Bull Case Sales & EBITDA Estimates



Source: Airthings ASA, Analyst Group estimates

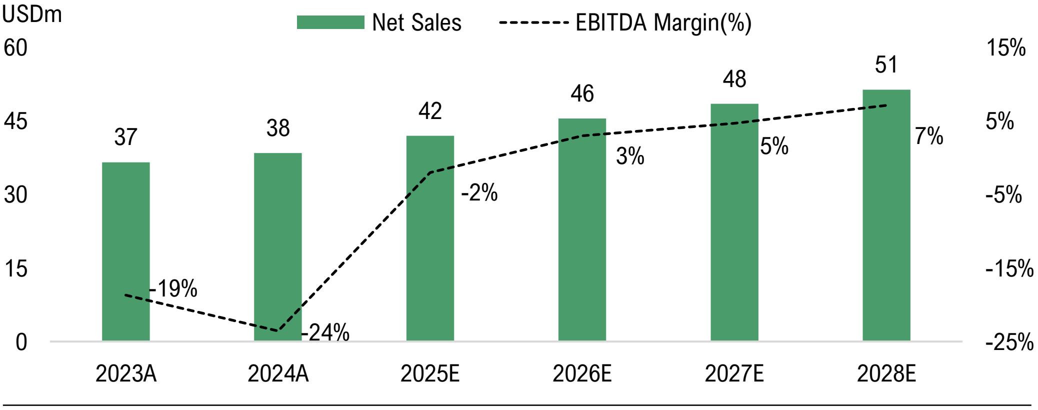
1.67 NOK PER SHARE IN BEAR SCENARIO

Bear scenario

In a Bear scenario, growth is anticipated to decelerate, with the B2C segment continuing along its growth trajectory; however, the B2B segment is expected to face considerable challenges due to a slower pace of new construction projects and renovations, which are projected to impede B2B sales and lead to weaker gross margins compared to the Base scenario. Instead of achieving a gross margin of 67% by 2028, a more cautious forecast suggests a gross margin of 64%, reflecting persistent challenges in the high-margin B2B sales environment. Moreover, the anticipated benefits of Airthings 3.0 are expected to be less significant than originally projected, with profitability now forecasted to be achieved later, in late 2026, rather than in 2025 as outlined in the base case. Total sales are projected to marginally exceed USD 53 million by 2028, while EBITDA is anticipated to reach USD 3.3 million, with sales for 2026 expected to amount to USD 46 million; to account for these challenges, a target multiple of 0.5x 2026 sales is applied, resulting in a potential price of NOK 1.67 per share in a Bear scenario.

EBITDA of USD 3m in 2028E Bear Case

Bear Case Sales & EBITDA Estimates



Source: Airthings ASA, Analyst Group estimates

Appendix

Income Statement Base Scenario									
USDm	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Revenue	20.9	33.7	35.4	36.6	38.5	43.6	48.4	53.3	57.5
COGS	-7.6	-13.0	-14.5	-14.3	-16.8	-16.4	-17.4	-18.5	-19.2
Gross profit	**13.4**	**20.7**	**21.0**	**22.3**	**21.7**	**27.2**	**31.0**	**34.8**	**38.3**
Gross Margin	64.3%	61.4%	59.2%	60.9%	56.2%	62.4%	64.1%	65.3%	66.6%
S,G&A	-18.2	-28.7	-32.7	-29.1	-30.7	-27.1	-28.6	-30.1	-31.1
EBITDA	**-4.8**	**-8.0**	**-11.8**	**-6.8**	**-9.1**	**0.1**	**2.4**	**4.8**	**7.2**
EBITDA Margin	-22.9%	-23.8%	-33.3%	-18.7%	-23.5%	0.1%	5.1%	8.9%	12.6%
D&A	-0.7	-1.3	-1.4	-1.5	-4.7	-2.1	-2.4	-2.7	-2.6
EBIT	**-5.5**	**-9.4**	**-13.2**	**-8.4**	**13.7**	**-2,1**	**0.0**	**2.1**	**4.7**
EBIT Margin	-26.4%	-27.8%	-37.3%	-22.8%	-35.6%	-4.8%	0.1%	3.9%	8.1%
Net Financials	-0.8	-0.7	54	-0.5	1.7	0.4	0.3	0.4	0.5
EBT	**-6.3**	**-10.0**	**-13.2**	**-8.8**	**-12.0**	**-1.6**	**0.3**	**2.5**	**5.1**
Taxes	2.0	2.0	3.1	1.8	-5.7	0.9	1.0	-459	-1.1
Net Income	**-4.3**	**-8.0**	**-10.0**	**-7.1**	**-17.7**	**-0.8**	**1,3**	**2.0**	**4.0**
Net Margin	-20.4%	-23.6%	-28.3%	-19.3%	-46.0%	-1.7%	2.1%	3.8%	7.0%

Appendix

USDm	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E
			Income Statement Bull Scenario						
Revenue	20.9	33.7	35.4	36.6	38.5	47.6	56.6	63.8	69.1
COGS	-7.6	-13.0	-14.5	-14.3	-16.8	-174	-19.8	-20.1	-20.7
Gross Profit	**13.4**	**20.7**	**21.0**	**22.3**	**21.7**	**30.2**	**36.8**	**42.7**	**48.4**
Gross Margin	64.3%	61.4%	59.2%	60.9%	56.2%	63.5%	65.0%	68.0%	70.0%
S,G&A	-18.2	-28.7	-32.7	-29.1	-30.7	-29.6	-32.5	-34.1	-36.2
EBITDA	**-4.8**	**-8.0**	**-11.8**	**-6.8**	**-9.1**	**0.6**	**4.2**	**8.6**	**12.1**
EBITDA Margin	-22.9%	-23.8%	-33.3%	-18.7%	-23.5%	1.2%	7.5%	13.8%	17.6%
D&A	-0.7	-1.3	-1.4	-1.5	-4.7	-2.1	-2.4	-2.7	-2.6
EBIT	**-5.5**	**-9.4**	**-13.2**	**-8.4**	**13.7**	**-1.5**	**1.8**	**6.0**	**9.5**
EBIT Margin	-26.4%	-27.8%	-37.3%	-22.8%	-35.6%	-3.2%	3.2%	9.5%	13.8%
Net Financials	-0.8	-0.7	0.1	0.3	1.7	0.5	0.4	0.5	0.6
EBT	**-6.3**	**-10.0**	**-13.2**	**-8.0**	**-12.0**	**-1.1**	**2.2**	**6.4**	**10.1**
Taxes	2.0	2.1	3.1	1.8	-5.7	873	-0.5	-1.4	-2.2
Net Income	**-4.3**	**-8.0**	**-10.0**	**-6.3**	**-17.7**	**-0.2**	**1.7**	**5.0**	**7.9**
Net Margin	-20.4%	-23.6%	-28.3%	-17.1%	-46.0%	-0.4%	3.0%	8.0%	11.4%

USDm	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E
			Income Statement Bear Scenario						
Revenue	20.9	33.7	35.4	36.6	38.5	42.5	46.1	49,1	52.0
COGS	-7.6	-13.0	-14.5	-14.3	-16.8	-16.3	-17.5	-18.0	-18.7
Gross Profit	**13.4**	**20.7**	**20.9**	**22.3**	**21.7**	**26.1**	**28.6**	**31.1**	**33.3**
Gross Margin	64.3%	61.4%	59.2%	60.9%	56.2%	61.5%	62.1%	63.4%	64.0%
S,G&A	-18.2	-28.7	-32.7	-29.1	-30.7	-26.7	-27.2	-28.8	-29.9
EBITDA	**-4.8**	**-8.0**	**-11.8**	**-6.8**	**-9.1**	**-0.5**	**1.4**	**2.3**	**3.4**
EBITDA Margin	-22.9%	-23.8%	-33.3%	-18.7%	-23.5%	-1.3%	3.0%	4.7%	6.5%
D&A	-0.7	-1.3	-1.4	-1.5	-4.7	-1.9	-2.0	-2.1	-1.9
EBIT	**-5.5**	**-9.4**	**-13.2**	**-8.4**	**13.7**	**-2.4**	**-0.6**	**0.2**	**1.4**
EBIT Margin	-26.4%	-27.8%	-37.3%	-22.8%	-35.6%	-5.7%	-1.3%	0.5%	2.8%
Net Financials	-0.8	-0.7	0.1	0.3	1.7	0.4	0.3	0.3	0.4
EBT	**-6.3**	**-10.0**	**-13.2**	**-8.0**	**-12.0**	**-2.0**	**-0.3**	**0.6**	**1.867**
Taxes	2.0	2.1	3.1	1.8	-5.7	0.8	0.8	-0.1	-0.4
Net Income	**-4.3**	**-8.0**	**-10.0**	**-6.3**	**-17.7**	**-1.2**	**0.6**	**0.5**	**1.5**
Net Margin	-20.4%	-23.6%	-28.3%	-17.1%	-46.0%	-2.9%	1.2%	0.9%	2.8%

Disclaimer

These analyses, documents and any other information originating from AG Equity Research AB (Henceforth "AG) are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which AG believes to be reliable. AG can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, AG can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from AG, any employee or person related to AG are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from AG is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. AG disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from AG.

Conflicts of Interest and impartiality
To ensure AG's independence, AG has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest*. Compliance policy: https://analystgroup.se/interna-regler-ansvarsbegransning/ (Swedish)

Other
The Principal, **Airthings ASA** (furthermore" the Company") has had no opportunity to influence the parts where Analyst Group has had opinions about the Company's future valuation or anything that could constitute an objective assessment.

The analyst does not own shares in the Company.