

**With The Current Focus On The Environment, Saving Energy And The Economic Downturn That Started In 2008, The Demand For AirTest Technologies Inc. Gas Sensors And Control Equipment Has Increased As Building Owners Become More Aware Of The Operating Efficiencies They Can Provide**

**Green Technologies  
Commercial Sensors  
(AAT-TSXV)**

**AirTest Technologies Inc.**

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**George B. Graham  
President and CEO**

**BIO:**

**George Graham:** President & CEO – Mr. Graham came from a background of having owned and operated several successful private companies prior to founding AirTest™ in 1996. After several years of focusing on selling gas analyzers and industrial gas detection equipment, Graham transformed AirTest™ into a green-technology company focused on improving the efficiency of ventilation in commercial buildings. AirTest™ is now very well positioned to take advantage of the energy saving opportunities in the commercial buildings market.

**Company Profile:**

AirTest Technologies Inc. is a Green-Tech company specializing in sensors that improve commercial building operating efficiency and at the same time create energy savings. These sensors are all based on technical innovations developed in the last ten years, and comprise a growing second wave of energy saving technologies that will make a significant contribution to the enabling better control of buildings to ensure energy savings and sustainability. AirTest offers its products to leading-edge building owners, contractors and energy service companies targeting the buildings market. AirTest also provides energy cost reduction solutions to building equipment and controls manufacturers who incorporate AirTest sensor components in their products.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Graham, what was your vision when you started AirTest Technologies?

**Mr. Graham:** Our vision when we started the company was very different from what we are doing today, but the technology that we were working on was a particular combustible gas sensor device that was designed for the coal mine industry in China. The contract that we had back in the beginning was not honored due to a change in key personnel within the state run coal mine industry in China. So our newly developed worker protection device didn't turn out to be the volume item that we had anticipated. So in the meantime we built other products around it and redirected our focus to be-

coming a supplier of gas detection and control equipment for commercial and institutional buildings. So over the last many years have developed a portfolio of products that enable building owners to make their buildings work more efficiently through better use of energy and better feedback information for the control systems of the buildings.

**CEOCFO:** Do you have a particular client focus?

**Mr. Graham:** There are two major markets that we focus on. One is providing ventilation control systems in enclosed parking garages through the use of carbon monoxide (CO) sensors and where diesel fumes may be present, nitrogen dioxide (NO2) sensors. These sensors control the ventilation in the parking garage so that instead of fans running 24/7 or on some form of timer, they will only run when the levels of those toxic gases reach a point where the garage requires additional ventilation. Typically in a parking garage if they use sensor controlled ventilation we normally save them from 50% to 85% of their energy costs related to ventilation in that garage. Our other market focus is the application of carbon dioxide (CO2) sensors to control ventilation in variable occupancy buildings. The sensors are usually networked to a central building control system which then can control heating, cooling and introduction of outside air based on the actual real time occupancy in the building. We can either supply sensors that connect to the central control system installed by one of the major controls manufacturers, or in some cases supply the sensors along with a stand alone controller. Typical energy savings where

CO2 sensor systems are installed in variable occupancy buildings can range from 15% to 40% of the total energy cost for that building.

**CEOCFO:** Are most garages not using sensors?

**Mr. Graham:** There are 45,000 enclosed parking garages in the United States, and probably about 10% more in Canada. If you want to look at the North American market it would be in excess of 50,000 enclosed parking garages that are public access type garages and that doesn't include residential, such as condos. Of those, our estimate is that less than 30% would be using sensors and of the ones that are using sensors, some of those are old systems that actually don't work that well. The technology has improved significantly over the last ten years to where the cost of installing and putting the sensors in, and even the sensors themselves has been significantly reduced. In addition, today's products are more dependable and perform than the ones installed ten years ago.

**CEOCFO:** Would you say that most of your potential customers are looking for a solution or are they just happy when you present it to them and realize what is available?

**Mr. Graham:** With the current focus on saving energy, combined with economic developments that have made building owners more aware of operating efficiencies, there has been more demand for using our technology. With the parking garages, there is still work to be done. We have been working for several years trying to develop a wireless solution for parking garages, as one of the barriers in that field is the invasive nature of running wiring all through parking garages to support a sensor controlled system. And even though the savings are huge, we believe the invasive nature of, and the high cost of installing the sensors (usually about three times the cost of the sensor itself) is certainly a deterrent to building operators when considering a ventilation control system. A system that incorporated wireless transmitters would be much more desirable however that type of system has not yet been developed to an acceptable performance level.

**CEOCFO:** Are there any other building using your products and who do you actually sell to?

**Mr. Graham:** Oh there are all kinds of people. Incidentally, that parking garage is only one part of it. The biggest part of the business is becoming more and more the CO2 control of variable occupancy spaces, and we work with a lot of contractors. We sell to controls contractors, HVAC contractors, energy management companies, and directly to building owners in some cases. We sell to the controls manufacturing companies, people like Johnson Controls, Trane, Siemens and Honeywell. Some of their own dealers and in some cases branches even buy from us from time to time. So we have quite a broad base of market all related to building controls systems.

**CEOCFO:** What is the competitive landscape like?

**Mr. Graham:** The majors themselves have their own products, but we are a bit

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more specialized and I think we have a broader base of product offering for energy savings in buildings than other people do in the market. We do have competitors and which may be wholesalers or other gas sensor manufacturers. In the parking garage business, it is quite parochial, and there tends to be regional manufacturers that sell in their region, maybe the Midwest, or California, or the Northeast for example. We cover a broad base and have distributors in various locations. In the case of the CO2 control of buildings, there are two major CO2 sensor manufacturers who supply 80% of the global market, and there may be a total of about ten other smaller manufacturers who split up the other 20% of the global market. We represent one of the majors who is based in Sweden. So we compete with the other majors and their various distribution. We have done a lot of work in identifying the key contacts representing various chains. Several chains such as Wal-Mart, IKEA, Target, and Lowe's have installed sensors to control ventila-

tion in their stores. Many companies are doing it, but there are a heck of a lot that do not. So we are only scratching the surface in the application of demand control ventilation using CO2 sensors. We don't find the competition as proactive in the retrofit market as we are, so that is the area that we really focus on.

**CEOCFO:** Why should they choose your product?

**Mr. Graham:** There was some extensive testing done in Iowa last year on various CO2 sensors and our product came out ahead in performance, but there are a lot of them that are very close in their performance as far as consistency, reliability of the product, accuracy and cost in many cases. One of the things we offer is a very strong sales and technical support capability to help people figure out how to go about retrofitting their buildings. We work very closely with whomever is the energy management or contractor associated with the various major chains. Some of our competitors basically just sell sensors. One of the advantages we have is we have a gentleman with our company who goes back to the days when demand controlled ventilation was first starting and he is recognized as an expert in this field. He was responsible for working with the ASHRAE standards people and getting CO2 demand controlled ventilation accepted as a standard of ventilation control in buildings. Because of his background and knowledge of that whole process, we have been able to develop some very strong energy analysis programs, technical support documentation and some of the computer programs to identify what has to be done and to analyze the potential energy savings in advance of doing a project.

**CEOCFO:** How is business?

**Mr. Graham:** Business is very good. In the last four months we have had a very strong upswing. We are running about double the average monthly volume of last year and it looks like it is continuing to grow as we get more and more repeat business customers working with us.

**CEOCFO:** Do you need to add staff or are you able to keep up with the demand?

**Mr. Graham:** We work with the contractors and they utilize their staff for most applications, but we do have a need for more inside sales support and technical support, so we are definitely looking at recruiting some additional people. We have been working with a fairly tight but consistent staff. Our people are very knowledgeable, we have virtually no turn over, and we add carefully as we go along. However, yes based on what is happening now we are going to have to add two or three people between now and the end of the year.

**CEOCFO:** Do you do much investor outreach?

**Mr. Graham:** We have a fellow we work with that heads up our placement and preparation for placements. Then we

have a team of people who do a lot of promotional work with brokers and individual investors to try and promote our stock. We are somewhat under the radar as we have come from a very small company that had some early-stage setbacks and it is only recently that we moved into a cash flow positive position and been able to enjoy the kind of growth we are experiencing this year. A lot of the type of programs that we espoused were not really received as well as we had hoped in earlier years, and it is only in the last two years that there has been a heck of a lot more interest in this energy-saving area and improving building efficiency.

**CEOCFO:** In closing, why should potential investors pay attention to AirTest?

**Mr. Graham:** Investors should pay attention to AirTest because we are in a very early stage of development of the various energy-saving products and processes that we are involved in. The other thing is we also have recently signed an exclusive license agreement on some new gas sensing technology that will put us a little ahead of the curve once the products are developed. It is in a fairly early stage but it has some real break-through potential. We feel we will soon be able to introduce a much improved sensor technology which will apply to the majority of gas sensor applications out there. This is an early stage development that I think will certainly offer some blue sky for investors in a small public company like ours.



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