



ANNUAL REPORT 2025



Asetek is a developer and manufacturer of high-quality gaming hardware. Founded in 2000, Asetek established its innovative position as the leading OEM developer and producer of the all-in-one liquid cooler for major PC & Enthusiast gaming brands. In 2021, Asetek introduced its line of products for next level immersive SimSports gaming experiences. Asetek is headquartered in Denmark and has operations in China and Taiwan with a total of 113 employees. In 2025 Asetek recorded revenue of \$41.5 million.

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Annual report for the financial year 1 January to 31 December 2025. This annual report is approved by the Board of Directors as of April 8, 2026. The Board will submit this report for approval at the Annual General Meeting on April 30, 2026. This annual report contains prospective information based on Asetek's current expectations. This information is by nature uncertain and associated with risk. Even if company management considers expectations based on such prospective information to be reasonable, no guarantee can be given that these expectations will prove to be correct. Consequently, actual future results may vary significantly compared with what is set out in the prospective information, for reasons including changed conditions in respect of the economy, market and competition, changes in legal requirements and other political measures, exchange rate variations and other factors. Read more about the risks in the chapter on 'Risk management' on pages 18–20 and in note 3 on page 35 'Risk management and debt' in the financial statements.

CONTENT

Asetek in brief	4	Notes	29
Comments from CEO	6	Comprehensive income statement, parent company	52
Business model	7	Balance sheet, parent company	53
Share and shareholders	9	Statement of changes in equity, parent company	54
Management report	11	Statement of cash flows, parent company	55
Corporate governance	13	Notes, parent company	56
Risk management	18	Management statement	60
Corporate social responsibility	21	Independent auditor's reports	61
Five year summary	23	Definitions of ratios and metrics	66
Consolidated statement of comprehensive income	25		
Consolidated balance sheet	26		
Consolidated statement of changes in equity	27		
Consolidated cash flow statement	28		

FOUNDED ON INNOVATION. DRIVEN BY EXCELLENCE

Asetek has been an innovative force in the global liquid cooling manufacturing industry for more than 25 years. In 2021 we introduced products for SimSports gaming. Asetek is headquartered in Denmark and has operations in China and Taiwan with a total of 113 employees. The Asetek share is listed on Nasdaq Copenhagen. In 2025 the company recorded revenue of 41.5 million USD.

Who we are

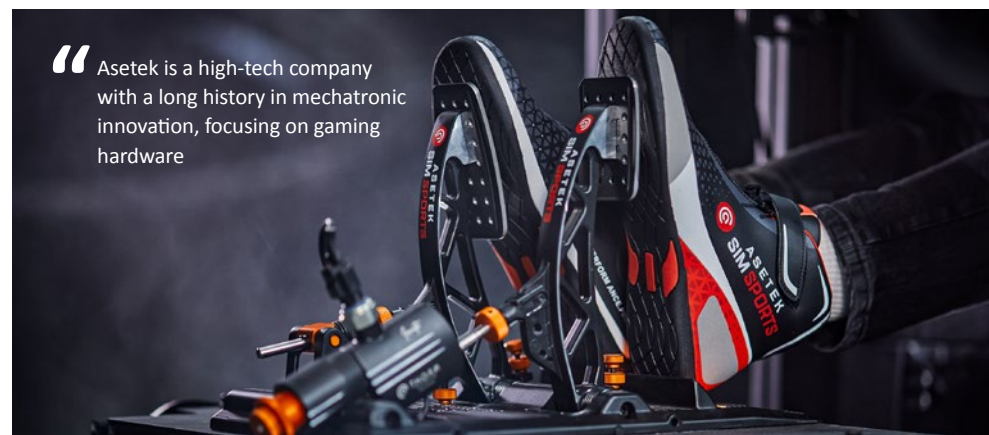
We are a high-tech company with a long history in mechatronic innovation, focusing on gaming hardware. Since our foundation we have disrupted the PC cooling market, setting new standards for performance and efficiency. In 2021, we continued to leverage our extensive capabilities with software, hardware and mechanics and entered into the world of sim racing as Asetek SimSports®. We are a diverse and agile organization located close to some key electronic manufacturing hubs in South-East Asia.

What we do

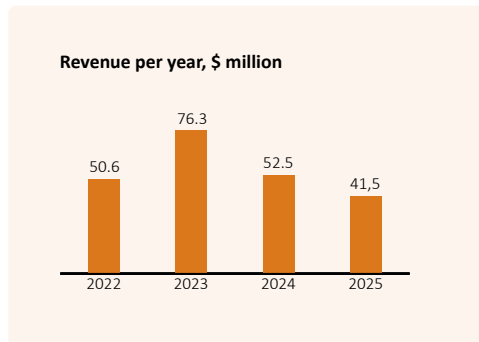
Asetek is a developer and manufacturer of high-quality gaming hardware. Since 2000, we design, manufacture, and sell high-quality liquid cooling solutions to most major PC and Enthusiast gaming brands. In 2021, we introduced our line of products for next-level immersive SimSports gaming experiences, offering every sim racer in the world the possibility to push limits and redefine what’s possible.

Why we do it

With our market-leading and high-quality product offering our goal is to meet our clients’ requirements for performance, design and longer product lifecycles. Our product development centers around our customers’ needs and reflect an innovative engineering approach combined with superior performance. The Asetek brand name has become synonymous with high product quality in all categories, which is confirmed by great reviews and feedback from gamers and hardware enthusiasts around the world. We are in business to push limits and redefine what’s possible.



“ Asetek is a high-tech company with a long history in mechatronic innovation, focusing on gaming hardware



REVENUE 2025
\$41.5
 million

GROSS PROFIT 2025
\$17.1
 million

20.1%
 of revenue invested
 in research and
 development in 2025

KEY CONCEPTS FOR UNDERSTANDING ASETEK

CUSTOMERS – a global customer base

We design, manufacture, and sell high-performance gaming hardware that delivers next-level immersive gaming experiences. Our products power some of the world's leading PC and enthusiast gaming brands, including three of the five largest PC manufacturers. Since 2021, we have been pushing the boundaries of sim racing, offering every sim racer the opportunity to redefine what's possible with our cutting-edge SimSports product lines.

REACH – well-balanced and global

We have a longstanding local presence in some key electronic manufacturing hubs in South-East Asia and our headquarters is in Aalborg, north Jutland, Denmark. We have a global platform with a solid supply chain creating long-term value for all stakeholders.

PEOPLE – an international organization

We believe that a diverse workforce and an inclusive workplace is a prerequisite for staying competitive, now and in the future. Our highly skilled employees are all sharing the common purpose of challenging industry standards driven by innovation and operational excellence.

INNOVATION – we are a high-tech company

Asetek is a developer and manufacturer of high-quality gaming hardware. Our journey began over 25 years ago when we disrupted the PC cooling market with our groundbreaking all-in-one liquid cooler, setting new standards for performance and efficiency. In 2021, we continued to leverage our extensive capabilities with software, hardware and mechanics and entered into the world of sim racing as Asetek SimSports®. Our goal is to transform the sim racing scene, pushing limits and redefining what's possible.

HISTORY – founded on innovation

Our history is rooted in innovation that solved a key challenge of performance limitations caused by computer processors running hot. This innovation is the foundation that took Asetek to a world-leading market position within liquid cooling. Since 2021 we are on a mission to become market-leader in the rapidly growing market for sim hardware.



PROVEN RESILIENCE & POSITIONED FOR GROWTH

Looking back, 2025 was another year of change – we again took significant steps to secure the long-term growth and development of our business. And we solidified our opportunities for future successes through alignment with a new owner, Chunqiu

Asetek had a challenging 2025, shaped by macro-economic uncertainty, shifting customer demand and new U.S. import tariffs affecting the global value chain. Revenue reflected these challenges, as well as Asetek's move toward value-oriented products and reduced orders from our two major Liquid Cooling customers, who moved to dual-sourcing. Encouragingly, growth from other existing customers and new accounts helped to minimize the revenue loss from those customers. This underscores the strength of our technology, our customer relationships and our competitive position.

In Liquid Cooling, we expanded our mid-market product portfolio to widen the addressable market while maintaining leadership in the premium segment. In October, we secured a major long-term agreement with a global leading provider of high-quality PC gaming components, including a minimum revenue commitment of USD 35 million over the first two-year term. This agreement strengthens revenue visibility and supports our expectation of renewed growth beginning in 2026.

Our SimSports business operated in a more difficult environment, particularly due to U.S. tariffs affecting products manufactured in China and disrupting U.S. sales. In response, we accelerated manufacturing in Malaysia to reduce tariff exposure and focused on expanding distribution channels. We continue to

“Embarking on the next chapter of our journey with a clear path forward”

build a broader retail and reseller network, including offering our full line of products on Amazon.

At the Gamescom event in August, we launched the Initium product line, our major play toward expanding into the mass-market segment with high-value bundled offerings and an upgradable ecosystem. Console-compatible products to be released in 2026 will further broaden our addressable market and strengthen our long-term growth platform.

The next chapter - a clear path ahead

In the fourth quarter, Asetek received a premium, all-cash voluntary public takeover offer from CQXA Holdings Pte. Ltd., a subsidiary of Suzhou Chunqiu ('Chunqiu'), a highly respected leading technology company in China. With the transaction closing in April 2026, I am confident that a stronger future awaits Asetek, and I look forward to embark-



André S. Eriksen,
Founder and CEO

ing on the next chapter of our journey. All in all, despite a demanding year, Asetek has strengthened its commercial foundation, broadened its product portfolio and positioned both business units for growth. With improved revenue visibility in Liquid Cooling and an expanded SimSports ecosystem, we enter the coming years with confidence and a clear path forward with Chunqiu.

I would like to thank our employees, customers, partners and shareholders for their continued trust and support.

A GLOBAL PLATFORM SUPPORTING GROWTH

Asetek’s leading position is based mainly on the competitive strength that originates from the company’s operational excellence in offering high-quality gaming hardware products. Through our history of over 25 years, Asetek has built up a wealth of experience that is unique among companies in our industry and is recognized for premium quality.

Innovation and product development

Product development is and always has been the main focus for Asetek. Since its inception, the company has successfully launched innovative products with high quality. Asetek’s R&D team and technology lab are based in Aalborg, Denmark. These teams are responsible for innovation, concept and design of our products and also manage collaboration with Asetek’s global customer base to define requirements and develop cutting edge technology. We continuously try to keep our R&D teams close to the customers, which encourages faster, more responsive and effective feedback for improvements to our existing product range as well as new developments. The Aalborg team works closely with the R&D team in Xiamen, China, to identify the optimal sources for the necessary components to fulfill specific customer requirements.

Sourcing and production

Asetek’s manufacturing and logistics teams in Xiamen, China and Malaysia, evaluates and sources components and suppliers for the finished product to be assembled, allowing us greater control over product quality. Our cooling solutions are assembled by the Company’s principal contract manufacturer based in Xiamen and Malaysia and since 2023, and a comparable contract manufacturer has been producing many of our SimSports products in Xiamen

and Malaysia. Asetek’s business model concentrates primarily on having contractual relationship with tier-1 contract manufacturers.

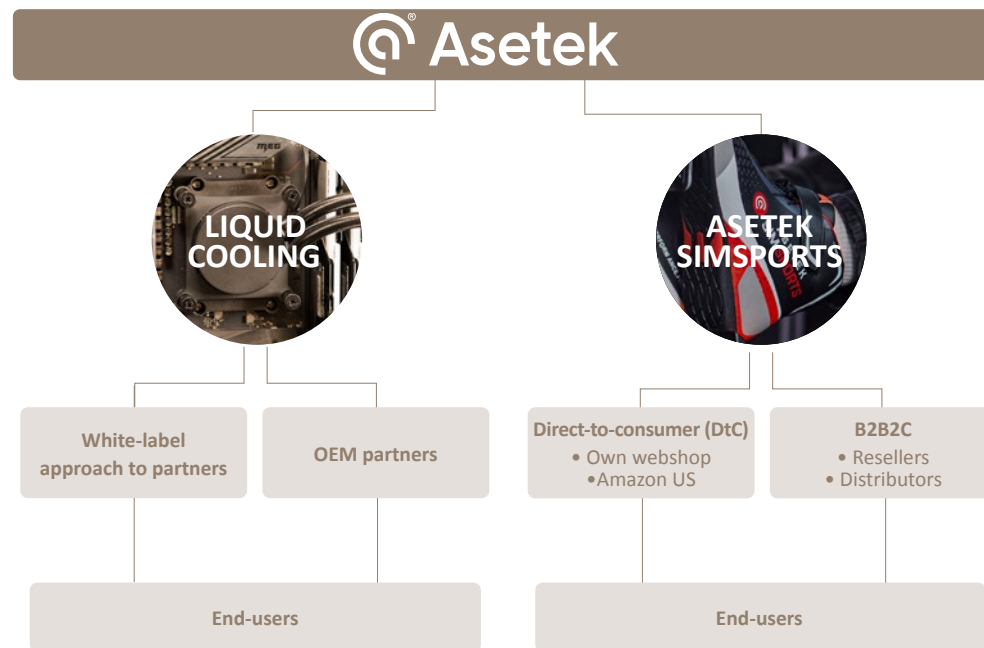
Asetek’s quality team is divided in two groups: one in Denmark and one in Xiamen. Their main focus is to conduct ongoing inspections to ensure control over all aspects of quality and compliance with a growing number of regulated parameters.

Logistics and sales

Finished products are primarily delivered directly to customer hubs in China, with smaller quantities shipped directly to Europe and USA. Logistics are often outsourced, and except for shipments from our own webshop for SimSports products, our partners handle deliveries to end-users themselves.

Liquid coolers are sold through two channels. The main sales channel is a white-label approach, meaning products are sold as a standalone to partners who are in turn selling it under their label. Asetek’s liquid coolers are also sold to partners using it as a component to build a complete PC, which is then sold to end-users. SimSports products are sold under Asetek’s own brand either directly to end-users through our webshop or via resellers, who distribute them both online and in physical stores.

Liquid cooling and SimSports sales channels



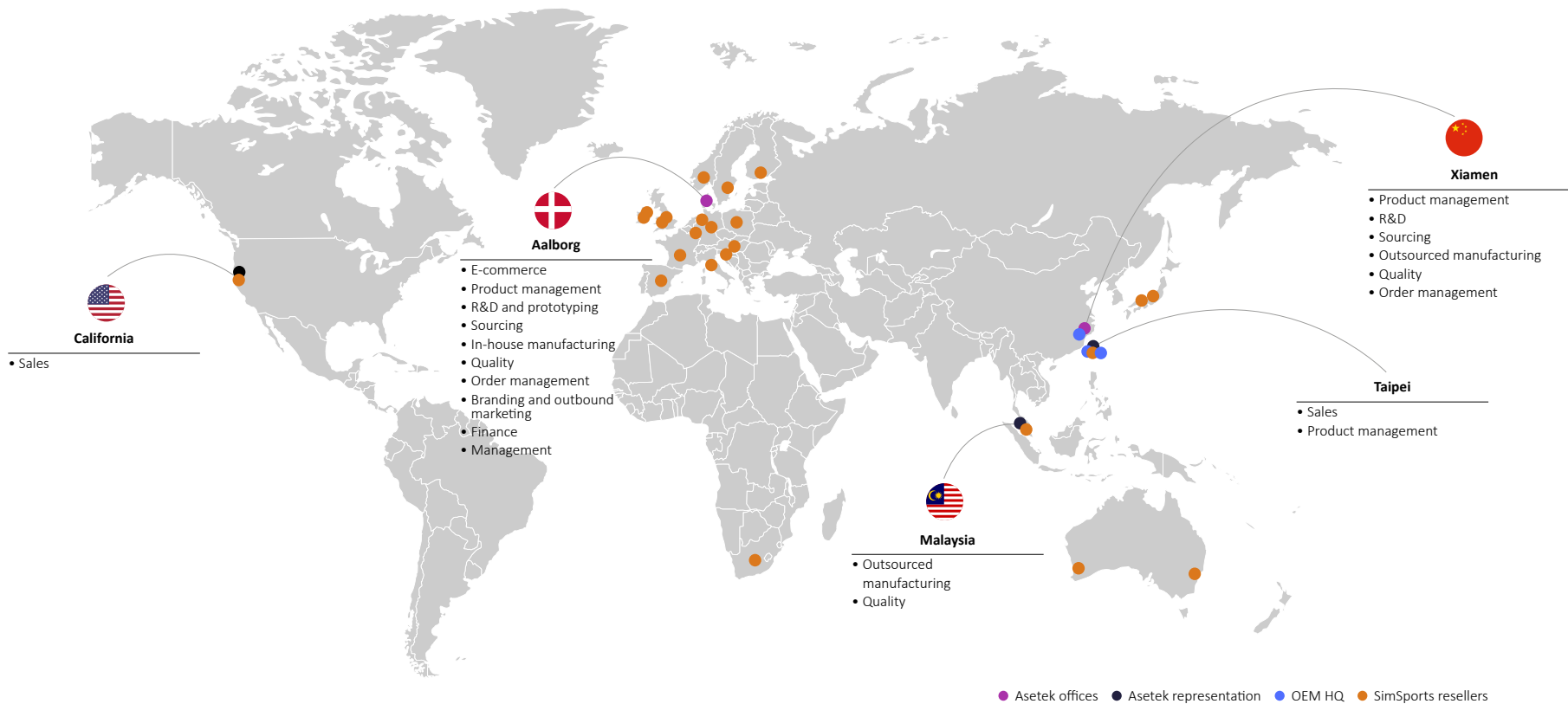
Marketing and customer service

The sales, marketing and product management teams, based principally in Denmark and Taiwan, oversee customer relationships to facilitate communication and development, ensuring that the developed product meets or exceeds customer demands.

Considering our history and DNA, Asetek is in many ways synonymous with innovative and

high-quality liquid cooling solutions. As a consequence, our marketing efforts mainly focus on leveraging this position and building the Asetek SimSports brand name. The overall marketing strategy will benefit both SimSports sales channels – currently done through online reviews using influencers and strategic partnerships as well as presence at tradeshow and other key events.

Delighted customers are our best ambassadors, and we know that they happily share their experience and trust in us. Our dedicated marketing and sales teams are responsible for providing customer service and support, making it easier to establish closer relationships with them. In the end, it is our customers that can tell us how we can provide a premium customer-centric experience.



SHARE CAPITAL AND COMPLETED RIGHTS ISSUE

Asetek's shares are listed on Nasdaq Copenhagen. A rights issue with preferential rights for existing shareholders was completed on January 6, 2025. The rights issue raised gross proceeds of DKK 88 million for Asetek.

Listing on Nasdaq Copenhagen

After the company's IPO on February 11, 2013, the Asetek shares were listed on the Oslo Stock Exchange. In May 2023, the share also began trading on Nasdaq Copenhagen. In March 2024, Asetek's shares were de-listed from the Oslo Stock Exchange and have since had a listing solely on Nasdaq Copenhagen.

Rights issue

On November 7, 2024, Asetek announced its intention to carry out a rights issue with preemptive rights for existing shareholders. The purpose was to increase financial flexibility and enable continued investments in the SimSports segment to capitalize on future growth opportunities. Each shareholder could subscribe for three new shares for every share they held on the record date, at a price of DKK 0.40 per share. The rights issue was completed on January 6, 2025, and raised gross proceeds of DKK 88 million for Asetek.

Share price development and turnover

The Asetek share trades under the symbol ASTK on Nasdaq Copenhagen and the share's ISIN code is DK0060477263 (Technology: Computer Hardware), segment Small Cap. At the close of 2025, Asetek's share price was DKK 1.65. This is equivalent to a

market capitalization of DKK 523.0 million. The highest price quoted during the financial year of 2025 was DKK 1.65 (December 29) and the lowest price was DKK 0.40 (January 15). In 2025, the total turnover of Asetek shares traded on Nasdaq Copenhagen amounted to 282.3 million shares, corresponding to 88.7 percent of the total number of shares at December 31, 2025.

Share capital

After registration of the share capital increase following the rights issue at the beginning of the year, the share capital in Asetek amounted to DKK 31,823,925.80 divided into 318,239,258 shares with a nominal value of DKK 0.10. All shares are of the same class and the same share of capital and earnings. Each share entitles the holder to one vote at the General Meeting and each shareholder is entitled to vote for all shares held by the shareholder.

Ownership structure

As of December 31, 2025, the ten largest shareholders controlled 63.8 percent of the capital and votes. Board members and executive management held a total of 32.2 percent of the capital and votes. Other members of management held an additional 0.42 percent of the capital and votes. The total number of shareholders in Asetek was 6,385 at December 31, 2025.

Concentration (Dec 31, 2025)	Shares	Capital and votes
The 10 largest owners	203,120,131	63.83%
The 20 largest owners	226,916,332	71.30%
The 30 largest owners	239,639,955	75.30%

Share repurchases

In 2025, no shares were repurchased. As of December 31, 2025, Asetek holds a total of 1,257,071 treasury shares.

Investor Relations (IR) at Asetek

Asetek's goal is that the company should be valued on the basis of relevant, correct and current information. This involves a clear financial communication strategy, reliable information and regular contact with various stakeholders in the financial markets. The management and Board of Directors of Asetek have a clear ambition to keep an ongoing dialog with the media and the capital market. This takes place through presentations of quarterly reports and meetings with analysts, investors and the media at various events, seminars, one-on-one meetings and during visits to Asetek offices. Interested parties can download presentation materials and listen to audio recordings from presentations of quarterly reports on Asetek's website.

Financial information regarding Asetek is available to download from <https://ir.asetek.com/overview/default.aspx>. This includes financial reports, press releases and other presentations. The company's press releases are distributed via Cision and are also available on the company's website.

Financial calendar 2026

April 30, 2026	Annual General Meeting
August 18, 2026	Half Year Report, 2026
March 17, 2027	Annual financial report, 2026

Shareholder contact

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investor.relations@asetek.com

MANAGEMENT REPORT

Management report	11
Corporate Governance	13
Risk management	18
Corporate Social Responsibility	21
Five year summary	23



MANAGEMENT REPORT

PERFORMANCE IN 2025

Profit and loss

Total revenue for 2025 was \$41.5 million, representing a decrease of 21% from 2024 (\$52.5 million).

Sealed loop cooling unit shipments for 2025 totaled 0.7 million compared with 0.8 million in 2024.

Revenue and unit shipment changes reflect fewer shipments of liquid cooling products which were negatively impacted by increased tariffs on products imported to the U.S., particularly from China, and a shift in demand toward lower-end products. Av-

erage Selling Prices (ASP) for liquid coolers in 2025 decreased to \$49.12 from \$55.76 in 2024 (refer to metrics definitions on page 66).

Gross margin was 41.2% in 2025 compared with 41.8% in 2024. The change reflects a change in product mix and the recent price sensitivity in the gaming hardware market.

In 2025, operating expense excluding special items decreased to \$25.3 million, from \$27.4 million in 2024, mainly due to reduced headcount and related personnel expenses. Total operating expense in 2025 included \$2.4 million of special items: \$0.6

million for a non-cash impairment charge on goodwill and \$1.8 million of costs associated with the April 2026 acquisition of the Company as described in Note 1.1 in the consolidated financial statements. These costs represented \$0.8 million of legal and advisory fees and \$1.0 million of accelerated share-based compensation associated with the full vesting of options granted. Offsetting 2025 operating expense was other income of \$0.6 million from an insurance settlement received. Total operating expense in 2024 included a non-cash impairment charge of \$13.8 million as a consequence of an assessed impairment within the cash generating units.

Share-based compensation cost that was not included in Special items was \$0.6 million in 2025 (\$0.3 million in 2024).

Adjusted EBITDA was negative \$1.7 million in 2025, compared with positive \$0.3 million in 2024. Adjusted EBITDA in 2025 represents operating loss of \$10.0 million, plus depreciation of \$5.4 million, plus special items of \$2.4 million, plus share-based compensation of \$0.6 million.

Foreign currency transactions in 2025 resulted in a \$0.3 million loss (\$1.4 million gain in 2024).

Income tax benefit was \$0.5 million in 2025, principally resulting from R&D credits in Denmark,



partly offset by income tax on operating income earned in China. Income tax expense was \$5.7 million in 2024, mainly due to impairment charges of \$4.2 million to deferred tax assets related to uncertainty regarding their future recoverability.

Asetek had total comprehensive loss of \$5.9 million for 2025, compared with a loss of \$25.3 million in 2024. A positive \$5.0 million translation adjustment is included in 2025 (negative \$1.3 million in 2024), principally due to the 11% weakening of the U.S. dollar vs. the Danish krone in 2025.

Balance sheet

Asetek's total assets at December 31, 2025 were \$84.8 million, compared with \$79.4 million at the end of 2024. The principal factors affecting the change were as follows: Property, plant and equipment increased by \$4.8 million, mainly due to weakening of the U.S. dollar by 11% from 2024. Inventories increased by \$1.3 million associated with investment in new product offerings.

Total liabilities decreased slightly in 2025, due to offsetting factors. After raising funds in January 2025 through a rights offering, the Company paid down long-term debt and accrued liabilities. These decreases in liabilities were partly offset by exchange rate effects of a weaker U.S. dollar and additional amounts drawn on lines of credit at the end of the year.

Working capital (current assets minus current liabilities) was \$5.7 million at December 31, 2025 (\$4.4 million in 2024).

Statement of cash flows

Net cash used by operating activities was \$5.3 million in 2025 (\$1.2 million provided in 2024). The change was principally due to the reduction in gross profit as well as an increase in payment of liabilities in 2025.

Cash used by investing activities was \$4.1 million compared with \$10.1 million used in 2024. The decrease in investment is principally the result of completion of construction of Asetek's headquarters facility in 2024. Additions to capitalized assets under development associated with future products was \$2.6 million, an increase of \$0.3 million from 2024.

Cash provided by financing activities was \$9.2 million in 2025 compared with \$5.0 million provided in 2024. In January 2025, the Company raised net proceeds of \$11.6 million in a rights offering through the issuance of 219.9 million new common shares. This was partly offset by \$2.6 million of payments against long-term debt, equipment financing and leases.

Net increase in cash and cash equivalents was \$0.3 million in 2025, compared with a decrease of \$5.8 million in 2024. Cash and cash equivalents at December 31, 2025 was \$3.6 million (\$3.3 million in 2024).

Liquidity and financing

As described in Note 1.1 to the consolidated financial statements, in April 2026, all of the shares of Asetek A/S will be acquired by CQXA Holdings Pte. Ltd., a controlled subsidiary of Suzhou Chunqiu Electronic Technology Co., LTD. ("Chunqiu"). All conditions to the completion of the offer have been fulfilled such that the transaction will close April 21, 2026.

Asetek requires additional funding to continue its operations. Chunqiu is listed on the Shanghai Stock Exchange, has sufficient capital resources to maintain Asetek's liquidity and has committed to funding Asetek's operations for the next year. At the time of closing, Chunqiu will provide Asetek with a loan to fulfill Asetek's liquidity needs and to cover incremental legal, audit and consulting expenditures associated with the acquisition.

While there is no assurance that Chunqiu will generate sufficient revenue or operating profits in the future, and its long-term plans for Asetek are still being formed, Asetek's management estimate that Chunqiu will provide sufficient resources to satisfy Asetek's working capital requirements for the foreseeable future.

2025 RESULTS vs. EXPECTATIONS

In the 2024 report, the Company communicated expectations of revenue in 2025 to be in the range of \$52-58 million, with expected adjusted EBITDA margin to be in the range of 3% to 5%. On April 25, 2025, the Company reduced guidance to full year Group revenue expected in the range of \$45 to \$53 million, with an adjusted EBITDA margin of 0% to 3%. This change considered the expected negative effects of import tariffs implemented by the U.S. government, most significantly related to products made in China. On November 3, 2025, Asetek further adjusted its outlook for the year, estimating full year Group revenue of about \$41 million and adjusted EBITDA in the range of negative 3% to negative 5%. The revised outlook reflected the effects of two major liquid cooling customers' reduced purchasing during the year and continued effects of the U.S. import tariffs. The Company's actual results for 2025 reflected total revenue of \$41.5 million and adjusted EBITDA margin of negative 4.0%, which were within the guidance provided on November 3, 2025. The results did not meet management's expectations at the beginning of the year.

EXPECTATIONS FOR 2026

In October 2025, Asetek secured a major long-term liquid cooling agreement with a global leading provider of high-quality PC gaming components, including a minimum revenue commitment of USD 35 million over the first two-year term. This agreement

strengthens revenue visibility and supports Asetek's expectation of renewed growth beginning in 2026. In SimSports, the Company plans to launch its console-compatible products in 2026. As a result of these prospects, the Company expects revenue for 2026 at the Group level to be in the range of \$55 to \$60 million, with an adjusted EBITDA of approximately zero. The Group revenue outlook is derived from expected revenue in the Liquid Cooling segment in the range of \$44 to \$48 million, and in the SimSports segment \$11 to \$12 million. For the full fiscal year 2026, the Liquid Cooling segment is expected to achieve a gross margin in the range of 35-40%, while the SimSports segment is expected to reach a gross margin of 28-32%. The potential impact of the geopolitical situation and U.S. import tariffs remains uncertain and will depend on various factors beyond the Company's control, as well as the Company's ability to mitigate any potential effects.

CORPORATE GOVERNANCE

The objective of corporate governance is to ensure that Asetek is managed as efficiently as possible in order to create shareholder value. This is achieved through a clear division of responsibilities between the Annual General Meeting, the Board and the executive management, as well as through clear regulations and transparent processes.

Framework for corporate governance

In this process, Asetek uses the corporate governance recommendations from Nasdaq Copenhagen as an important source of inspiration. The recommendations can be found at: <https://www.nasdaq.com/market-regulation/nordic/copenhagen>

The Board of Directors is fundamentally in full agreement with Danish Committee on Corporate Governance recommendations for good company governance. Asetek endeavors to follow the relevant recommendations for the Company, which support the business and ensure value for the Company's stakeholders. The statutory report on Corporate Governance, cf. section 107b of the Danish Financial Statements Act, is available on the Company's website: <https://ir.asetek.com/Corporate-Governance-Statement-2025/>

Communication between the Company and its shareholders

The communication between Asetek and shareholders primarily takes place at the Company's Annual General Meeting and via company announcements. Asetek shareholders are encouraged to subscribe to the e-mail service to receive company announcements, interim management statements, interim reports and annual reports as well as other news via e-mail.

The general meeting

The General Meeting has the final authority over the Company. The Board of Directors emphasize that shareholders are given detailed information and an adequate basis for the decisions to be made by the General Meeting.

The General Meeting elects the Board of Directors, which currently consists of five members. The board members are elected for one year at a time with the option for re-election.

Amendment of Articles of Association

Unless otherwise required by the Danish Companies Act, resolutions to amend the Articles of Association must be approved by at least 2/3 of the votes cast as well as at least 2/3 of the voting share capital represented at the General Meeting.

Board responsibilities

The Board of Directors' main tasks include participating in, developing, and adopting the Company's strategy, performing the relevant control functions and serving as an advisory body for the executive management. The Board reviews and adopts the Company's plans and budgets. Items of major strategic or financial importance for the Company are items processed by the Board. The Board is responsible for hiring the CEO and defining his or her work instructions as well as setting of his or her compensation. The Board periodically reviews the Company's policies and procedures to ensure that the Group is managed in accordance with good corporate governance principles, upholding high ethics.

Financial reporting

The Board of Directors receives regular financial reports on the Company's business and financial status.

Notification of meetings and discussion of items

The Board schedules regular meetings each year. Ordinarily, the Board meets eight to ten times a year, of which four are quarterly update teleconferences. The meetings are typically conducted at either the facility in Aalborg, Denmark or via web based conferencing. Additional meetings may be convened on an ad hoc basis.

All Board members receive regular information about the Company's operational and financial progress in advance of the scheduled Board meetings.

The Board members also regularly receive operations reports and participate in strategy reviews. The Company's business plan, strategy and risks are regularly reviewed and evaluated by the Board. The Board Members are free to consult the Company's senior executives as needed.

Danish Recommendation for Corporate Governance

	2025	2024
Participation:		
Complies with recommendations	38	38
Explanation provided	2	2

Ordinarily, the Chairman of the Board proposes the agenda for each Board meeting. Besides the Board Members, Board meetings are attended by the Executive Board.

Other participants are summoned as needed. The Board approves decisions of particular importance to the Company including the strategies and strategic plans, the approval of significant investments, and the approval of business acquisitions and disposals.

Conflicts of interest

In a situation involving a member of the Board personally, this member will exclude him or herself from the discussions and voting on the issue.

Use of Committees

Currently, the Company has a Nomination Committee, an Audit Committee and a Compensation Committee.

// The Nomination Committee is elected directly by the General Meeting. The Committee consists of three members and must be independent from the Board of Directors and the management, however, it

is recommended that the chairman of the Board of Directors is a member. The tasks include proposing candidates for the Board of Directors, propose remuneration for the Board of Directors as well as perform the annual assessment of the Board of Directors. Members: Søren Klarskov Vilby, Jakob Alsted Have and Lars Kristensen.

Nomination committee meetings

Meetings held during the year: 4

Participation:

Jakob Alsted Have (chair) *)	100%
Søren Klarskov Vilby *)	100%
Lars Kristensen *)	100%

*) Joined on April 28, 2025 and did not participate in the 3 meetings held prior to this date.

// The Audit Committee is elected among the members of the Board of Directors and has responsibilities related to financial reporting, the independent auditor, internal reporting and risk management, including cybersecurity risks. The Committee consists of at least two shareholder elected Board members. Members: Dennis Nymann (chair), Jakob Alsted Have and Søren Klarskov Vilby.

// The Compensation Committee has responsibilities related to developing proposals for the applicable remuneration policy and remuneration of the Management Board. Members: Søren Klarskov Vilby (chair) and Jakob Alsted Have.

BOARD OF DIRECTORS

Name	Elected	Independent	Share holdings	Board meetings	Audit committee	Compensation committee
Søren Klarskov Vilby (chair) *)	2025	Yes	100	7/7	2/2	1/1
Jakob Alsted Have (vice chair) *)	2025	Yes	40,124,827	7/7	2/2	1/1
Dennis Nymann (AC chair) *)	2025	Yes	128,013	7/7	2/2	–
Lars Kristensen *)	2025	Yes	56,133,599	7/7	–	–
Lasse Dannulat *)	2025	Yes	24,010	7/7	–	–

*) Joined on April 28, 2025, and did not participate in the 9 Board meetings; the 2 Audit Committee meetings or the 6 Compensation Committee meetings held prior to this date.

The Board's self-evaluation

The Board's composition, competencies, working methods and interaction are discussed on an ongoing basis and evaluated formally on an annual basis. In this connection, the Board also evaluates its efforts in terms of corporate governance.

The composition of the Board is considered appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors. The Board of Directors continuously assesses whether the competencies and expertise of members need to be updated. All of the members are independent persons, and none of the Board members participates in the day-to-day operation of the Company. At the 2024 Ordinary General Meeting on April 28, 2025, Mr. Søren Klarskov Vilby, Mr. Jakob Alsted Have, Mr. Lars Kristensen, Mr. Lasse Dannulat and Mr. Dennis Nymann were each elected to the Board, all receiving 59% of the votes cast. Mr. Vilby was elected Chairman of the Board by the Board of Directors on April 28, 2025.

Risk management

Refer to the Risk Management section of the Management Report as well as Note 3 of the consolidated financial statements.

Internal audit

The need for an internal audit function is considered regularly by the Audit Committee. However, due to the size of the Company and the established control activities, the Audit Committee so far considers it unnecessary to establish an independent internal executive audit board.

As part of risk management, Asetek has a whistle-blower function for expedient and confidential notification of possible or suspected wrongdoing.

Share capital

On December 31, 2025, the share capital in Asetek amounted to DKK 31,823,926 divided into 318,239,258 shares with a nominal value of DKK 0.10. All shares are of the same class and hold the same share of capital and earnings. Each share entitles the holder to one vote at the General Meeting and each shareholder is entitled to vote for all shares held by the shareholder.

Ownership structure

At the end of 2025, the ten largest shareholders controlled 63.83 percent of the capital and votes.

Board members and executive management held a total of 32.16 percent of the capital and votes. Other members of management held an additional 0.42 percent of the capital and votes. The

total number of shareholders in Asetek was 6,385 at December 31, 2025.

As of December 31, 2025, Asetek A/S had four major shareholders, each holding more than 5% of the voting rights and share capital. These four shareholders are:

Vorup Invest ApS

Granvænget 14, 8920 Randers NV, Denmark

56,133,599 shares, corresponding to 17.6% of the share capital and voting rights.

Arbejdsmarkedets Tillægspension (ATP)

Kongens Vænge 8, 3400 Hillerød, Denmark
42,792,408 shares, corresponding to 13.4% of the share capital and voting rights.

Nordic Compound Invest A/S

Annexstræde 6, 2500 Valby, Denmark
40,124,827 shares, corresponding to 12.6% of the share capital and voting rights.

Skjold Invest ApS

Virringvej 69, 8660 Skanderborg, Denmark
22,968,653 shares, corresponding to 7.2% of the share capital and voting rights.

Share repurchases

In 2025, no shares were repurchased. As of December 31, 2025, Asetek holds a total of 1,257,071 treasury shares.

BOARD OF DIRECTORS SHARE AUTHORIZATION

Meeting Date	Meeting Type	Action	Shares	Nominal Value	Price
April 23, 2014	Board	Board issues warrants to employees and Board members	118,210	DKK 0.10/share	NOK40.10
August 12, 2014	Board	Board issues warrants to employees and Board members	32,970	DKK 0.10/share	NOK33.90
August 11, 2015	Board	Board issues warrants to employees and Board members	700,000	DKK 0.10/share	NOK10.50
April 29, 2016	Board	Board issues warrants to employees and Board members	600,000	DKK 0.10/share	NOK19.50
April 25, 2017	Board	Board issues warrants to employees and Board members	509,687	DKK 0.10/share	NOK76.25
July 7, 2017	Board	Board issues warrants to employees	106,999	DKK 0.10/share	NOK113.00
April 25, 2018	General	Board authorized to acquire the Company's own shares			
October 31, 2018	Board	Board introduces employee stock option program to replace warrant program and issues options to employees	378,500	DKK 0.10/share	NOK46.30
April 10, 2019	General	Board authorized to acquire the Company's own shares			
September 8, 2019	Board	Board issues options to employees	494,900	DKK 0.10/share	NOK24.70
April 22, 2020	General	Board authorized to acquire the Company's own shares			
April 23, 2020	Board	Board issues options to employees	320,300	DKK 0.10/share	NOK38.33
April 21, 2021	Board	Board issues options to employees	216,300	DKK 0.10/share	NOK100.15
April 22, 2021	General	Board authorized to acquire the Company's own shares			
April 28, 2022	General	Board authorized to acquire the Company's own shares			
September 7, 2022	Board	Board issues options to employees	376,500	DKK 0.10/share	NOK15.04
March 8, 2023	Board	Board authorized capital increase to raise DKK140 million in fully underwritten rights issue	71,166,167	DKK 0.10/share	NOK3.00
May 9, 2023	General	Board authorized to acquire the Company's own shares			
December 12, 2023	Board	Board issues options to employees	2,956,850	DKK 0.10/share	DKK4.07
April 30, 2024	General	Board authorized to acquire the Company's own shares			
November 29, 2024	Extraordinary General	Board authorized to increase Asetek's share capital and issue new shares with pre-emptive rights for the existing shareholders			
April 28, 2025	General	Board authorized to acquire the Company's own shares			

BOARD OF DIRECTORS

Executive and other positions held	Age and gender	Qualifications	Date appointed to end of current term	Independence status
<p>SØREN KLARSKOV VILBY, CHAIRMAN</p> <ul style="list-style-type: none"> - Blue Ocean Holding ApS- Chairman of the Board - Blue Ocean Robotics ApS- Chairman of the Board - Dinex A/S- Member of the Board - 3C Group A/S- Member of the Board - SUBD ApS- Member of the Board - Vilby Capital ApS- Owner and Managing director - SDU (University of Southern Denmark) Chairman of the board <p>Committee participation: Compensation (chair); Nomination</p> <p>Asetek equity holdings: 100 owned/controlled shares</p> <p>2025 cash compensation: \$42,524</p>	<p>60</p> <p>Male</p>	<p>More than 30 years of senior leadership experience in electronics and electrical manufacturing and assembly, as well as business development and sales in an international B2B environment.</p>	<p>April 28, 2025 to April 30, 2026</p>	<p>Independent</p>
<p>JAKOB ALSTED HAVE, VICE CHAIRMAN</p> <ul style="list-style-type: none"> - Nordic Compound A/S- Owner, Board member and Managing director - Nordic Compound Management A/S <ul style="list-style-type: none"> - Board member and Managing director - Nordic Compound Invest A/S- Managing director - DonkeyRepublic Holding A/S, Board member <p>Committee participation: Nomination (chair); Audit</p> <p>Asetek equity holdings: 40,124,827 owned/controlled shares</p> <p>2025 cash compensation: \$35,985</p>	<p>44</p> <p>Male</p>	<p>Expertise in strategy, capital structure, capital markets, mergers and acquisitions (M&A), restructuring, accounting, and tax.</p>	<p>April 28, 2025 to April 30, 2026</p>	<p>Independent</p>
<p>DENNIS NYMANN, BOARD MEMBER</p> <ul style="list-style-type: none"> - DNY ApS- Owner and Managing director - PFP A/S- Board member - Aktieselskabet af 16. september 2009 <ul style="list-style-type: none"> - Board member and Managing director - Flyvende Falk ApS- Managing director - Flyvende Falk Holding ApS- Managing director - DefCap Group ApS- Managing director <p>Committee participation: Audit (chair)</p> <p>Asetek equity holdings: 128,013 owned/controlled shares</p> <p>2025 cash compensation: \$39,251</p>	<p>46</p> <p>Male</p>	<p>Former auditor and state authorized public accountant serving clients in a variety of sectors. Former finance director and CFO within real estate and retail. For the past 6 years external consultant within finance.</p>	<p>April 28, 2025 to April 30, 2026</p>	<p>Independent</p>
<p>LARS KRISTENSEN, BOARD MEMBER</p> <ul style="list-style-type: none"> - Vorup Invest ApS- Owner and Managing director - Bolig Kronjylland ApS- Managing director - Bolig & Erhverv Randers ApS- Managing director <p>Committee participation: Compensation</p> <p>Asetek equity holdings: 56,133,599 owned/controlled shares</p> <p>2025 cash compensation: \$29,438</p>	<p>45</p> <p>Male</p>	<p>Graduated with a Master of Science in Economics (Cand.Econ) from Aarhus University in 2009. Has held executive roles as Chief Financial Officer (CFO) and Chief Risk Officer (CRO) at MFT Energy A/S. Founder and Managing Director of the investment company Vorup Invest ApS.</p>	<p>April 28, 2025 to April 30, 2026</p>	<p>Independent</p>

BOARD OF DIRECTORS

Executive and other positions held	Age and gender	Qualifications	Date appointed to end of current term	Independence status
LASSE DANNULAT, BOARD MEMBER - Dal Invest ApS- Owner and Managing director	45 Male	Owner and CEO, Dal Invest ApS (2015 – Present) Entrepreneur with 10 years of experience in company ownership, financial management, and regulatory compliance.	April 28, 2025 to April 30, 2026	Independent

Committee participation: -**Asetek equity holdings:** 24,010 owned/controlled shares**2025 cash compensation:** \$29,438**EXECUTIVE MANAGEMENT****Other positions held:****André Sloth Eriksen, Chief Executive Officer**

It's IT A/S - Chairman of the Board

Keldbækgård - Owner

Peter Dam Madsen, Chief Financial Officer

iFEED ApS - Board of Directors

RISK MANAGEMENT

Asetek's potential to realize the Company's strategic and operational objectives are subject to a number of commercial and financial risks. Asetek is continuously working to identify risks that can negatively impact the Company's future growth, activities, financial position and results as well as CSR-related risks. Asetek conducts its business with significant focus on continuous risk monitoring and management.

For a comprehensive discussion of risk factors, refer to the Company's 2024 Prospectus here: <https://ir.asetek.com/share-info/prospectus/Asetek-2024-Prospectus/>

The overall goal of risk management is to ensure that the Company is run with a level of risk, which is in a sensible ratio to the activity level, the nature of the business, and the Company's expected earnings and equity. To the largest extent possible, Asetek tries to accommodate and limit the risks which the Company can affect through its own actions.

The following are some of the risk factors management considers as being of special importance to the Group, described in no specific order.

Market demand and Competition

Economic recession. A general slowdown in the global economy, including a recession, inflation or a tightening of the credit markets could negatively impact Asetek's business, financial condition and liquidity. Adverse global economic conditions have caused or exacerbated significant slowdowns

in the markets in which the Company operates, which have adversely affected Asetek's results of operations recently and in the past. Macroeconomic weakness and uncertainty also make it more difficult for management to accurately forecast revenue, gross margin, and expenses. Further economic downturn or increased uncertainty may also lead to increased credit and collectibility risks, reduced availability of capital and credit markets, reduced profits, liquidity and potentially adverse impacts on Asetek's suppliers.

Competition. The markets in which the Company operates are competitive, the technological development is rapid, and the Company may in the future also be exposed to increased competition from current market players or new entrants.

Customer concentration. In 2025, four customers accounted for 21%, 14%, 10% and 10% of total revenue. In the event of a decline or loss of any of these customers, replacement of the revenue stream would be difficult for Asetek to achieve in the short term. The Company is actively working with its other customers to grow their respective market shares and order volumes.

New chip releases. Asetek's liquid cooling revenue is dependent upon timely releases by major suppliers of new GPU's and CPU's. In recent years, the global economy was subject to an unprecedented shortage of semiconductor chips due to production constraints and increased demand brought on by accelerated digital transformation. This shortage negatively impacted demand. The global chip

shortage eased in 2023; however, the Company's revenue continues to be dependent upon timely releases of GPU's and CPU's, and future shortages could negatively impact customer demand.

Financial and Macroeconomic Risk

Capital resources and indebtedness. In recent years, the Company has been dependent on third party debt and equity financing. In the fourth quarter of 2024, a decline in revenue resulted in a projected near-term cash shortfall requiring the Company to initiate an equity rights offering which raised net \$11.6 million in January 2025. The Company had previously raised \$16.1 million in an equity rights offering in May 2023. As of December 31, 2025 the Company has long-term debt of \$19.5 million, principally incurred for construction of a new headquarters facility, which was completed in 2024. The Company's principal debt is based on a variable interest rate (Danish CIBOR 3) and matures in March 2028. The April 2026 acquisition of Asetek by a subsidiary of Suzhou Chunqiu Electronic Technology Co., LTD., as described in Note 1.1 of the consolidated financial statements, is expected to significantly mitigate this risk.

Credit risk. Credit risk is the risk of a counterpart neglecting to fulfill its contractual obligations and in so doing imposing a loss on Asetek. The Group's credit risk originates mainly from receivables from the sale of products as well as deposits in financial institutions. Receivables from the sale of products are split between many customers and geographic areas. Two customers represented 23% and 14% of trade receivables at December 31, 2025. A systematic credit evaluation of all customers is conducted,

and the rating forms the basis for the payment terms offered to the individual customer. Credit risk is monitored centrally.

Foreign exchange rates. Substantially all of Asetek's revenue is billed in USD. However, many customers resell Asetek products to end users in countries where USD is not the transactional currency. As a result, there is a risk that fluctuations in currency will affect the cost of product to the end user and negatively impact market demand for Asetek products. Asetek estimates that about one third of its sold products ultimately are delivered in Europe or Japan, which are the two geographical areas which could have the largest potential impact due to USD fluctuation. Asetek believes that other factors in the end users' buying decision play a larger role than price fluctuation on the liquid cooling component. During 2025, the USD weakened against both the DKK and EUR by 11% to 12% and was level against the Japanese Yen.

Asetek's raw materials are predominantly purchased with USD, from vendors whose underlying currency is CNY. The USD weakened against the CNY by 2% in 2025. Asetek recognizes that USD appreciation can result in sales price pressure for its suppliers. Historically, the Company has not seen significant reaction from its markets. In addition, Asetek believes that competing products are prone to the same exchange rate scenarios as Asetek.

A significant portion of Asetek's overhead costs are incurred in DKK. As a result, fluctuations in USD vs. DKK will continue to have an influence on results of operations and financial position. The Group has not entered into any forward exchange instruments.

Innovation and Product Development

Investment in SimSports. In 2020 and 2021, Asetek acquired technology and intellectual property in support of the Company's entrance into the fast-growing SimSports gaming market. In March 2022, the Company shipped the first of its SimSports products and has released several new products through 2025. Revenue generated from SimSports products totaled \$5.7 million in 2025, approximately 14% of the Group's total revenue for the year. The SimSports segment is not yet profitable, generating adjusted EBITDA losses of \$8.5 million in 2025 and \$8.9 million in 2024.

Research and development, innovation, market development.

The Company's future success, including the opportunities to ensure growth, depends on the ability to continue developing new solutions and products adapted to the latest technology and the clients' needs as well as improving existing solutions and market position. As such, the Company develops new releases on a regular basis, with emphasis on higher performance, improved efficiency and noise-reduction. Providing new and innovative applications for Asetek's cooling technology is also a focus, as evidenced by the new SimSports products released during 2025.

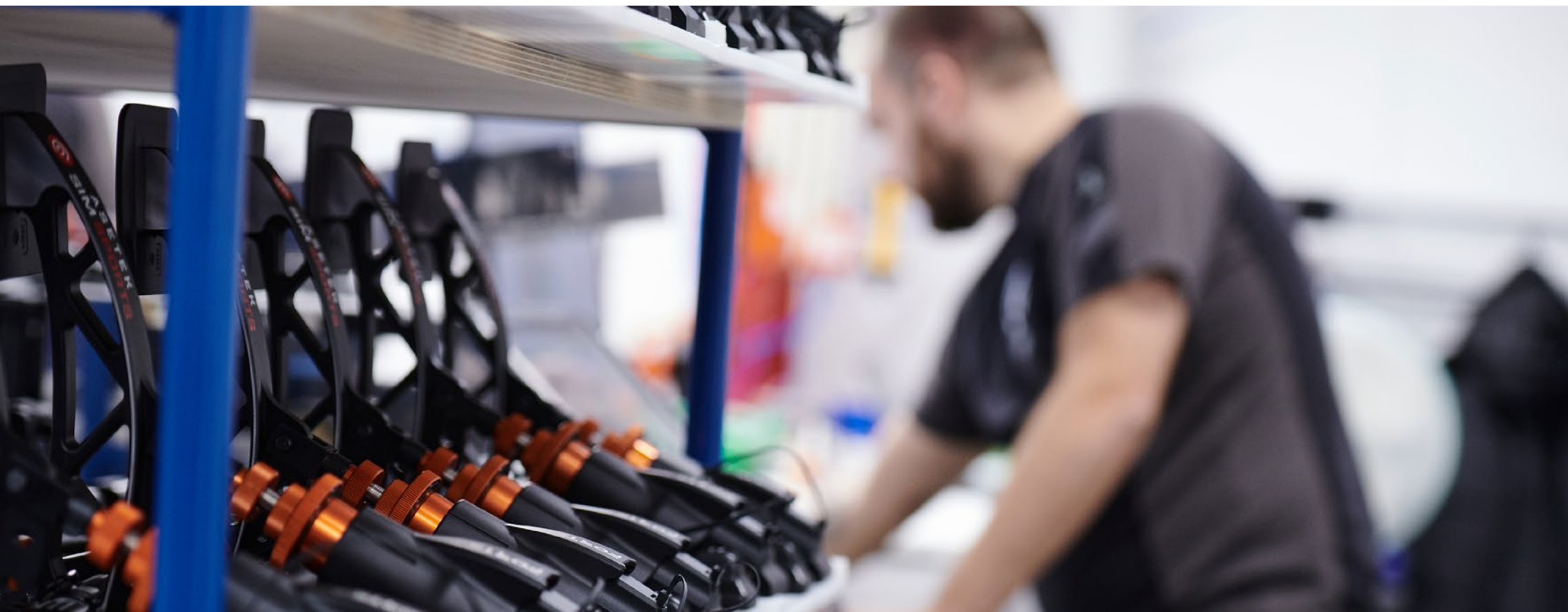
Operational and Supply Chain Risk

Manufacturing supply. Asetek relies upon suppliers and partners to supply products and services at competitive prices. Supply constraints and disruptions in the global supply chain may increase component costs and limit the Company's ability to fulfill customer demand. Asetek's liquid cooling products have been historically assembled in Xiamen, China by a single contract manufacturer which may be difficult to substitute in the short term if the need should arise. Suppliers are proactively managed by the Company's operations teams based in Xiamen and Aalborg. In 2023, the Company began

outsourced manufacturing of certain products in Malaysia, and continues to increase production volumes at that site.

Regulatory and Compliance Risk

U.S. import tariffs. The Company imports certain of its products from China and Malaysia to the U.S. and is therefore subject to applicable U.S. tariffs. Imports from China have historically been subject to 25% tariffs. In 2025, the U.S. imposed additional tariffs that were subsequently invalidated by the U.S. Supreme Court in February 2026. The existence of the tariffs has contributed to market uncertain-



ties, particularly in the liquid cooling segment. The Company continues to work to minimize the impact of the tariffs on Asetek and its customers, and to the extent possible, will seek to obtain reimbursement of tariffs paid that have been subsequently invalidated.

CSR-related risks. Asetek continuously identifies and manages CSR-related risks through its framework policy and related governance processes. Further information is provided in the Corporate Social Responsibility section.

Taxation. The tax situation of the Company is complex. In connection with its initial public offering in 2013, Asetek moved its Parent company from the U.S. to Denmark.

However, USA – in a unilateral tax treaty override – still considers Asetek A/S a U.S. tax subject, resulting in double taxation of Parent company earnings. Asetek has approached both countries' tax authorities with the aim of resolving the situation as per the double taxation treaty. However, a determination may take several years, and the authorities are not obligated to resolve the problem. The Company continues to make progress in working with the tax authorities of Denmark and U.S. to possibly resolve this issue.

In June 2019, the U.S. released regulation for its Global Intangible Low-Taxed Income (GILTI) inclusion for U.S. taxation, effective beginning with tax year 2018. The GILTI regulation requires U.S. companies to report foreign corporation intangible income that exceeds 10% return on foreign invested assets. Under prior law, U.S. owners of foreign corporations were able to defer recognizing taxable income until there was a distribution of earnings back to U.S. owners. In 2025, The GILTI regulation caused zero net incremental tax liability (\$0.9 million in 2024), which was partly offset by utilization of available deferred tax assets. Because of Asetek's U.S. tax

status as described above, management believes that the impact of the GILTI regulation as it applies to the Company could be reformed in the future; however, such reform is not certain. The Company continues to work with its tax advisors to clarify and address these matters.

CORPORATE SOCIAL RESPONSIBILITY

Asetek seeks to be a good corporate citizen in everything that it does, and therefore has combined its operating principles into one framework policy.

In 2025, Asetek's Corporate Social Responsibility (CSR) disclosures in the Annual Report are prepared in accordance with Section 99b of the Danish Financial Statements Act and are supplemented by a separate Voluntary Sustainability Reporting Standard (VSME) report.

The Company's business model is described in 'Asetek in brief' on pages 4-5 and 'Our business model explained' on pages 7-8 of this Annual Report.

The VSME report constitutes supplementary information and does not form part of the statutory statement on corporate social responsibility pursuant to Section 99b of the Danish Financial Statements Act and is not covered by the audit of the annual report. Please refer to the VSME report here: <https://ir.asetek.com/reports-and-presentations/annual-reports/default.aspx>

Asetek's CSR is anchored in its ESG Policy Framework covering (i) environmental and climate matters, (ii) social and employee matters, (iii) respect for human rights, and (iv) anti-corruption and anti-bribery. Asetek's ESG governance is overseen by an ESG committee established in 2020, chaired by the CFO and reporting regularly to the board of directors. This statutory statement on corporate social responsibility covers the financial year 2025 and applies to Asetek A/S and its activities.

Environment and climate Policy

Asetek seeks to manage potential environmental impacts within its own operations and value chain. Environmental commitments form part of the company's Commitment to Responsible Business Conduct and include energy use, greenhouse gas emissions, material use and circular design principles. Besides that, Asetek ensures product compliance with applicable regulations including REACH and RoHS and maintains an internal restricted substances list covering PVC, brominated and chlorinated flame retardants and other hazardous substances.

Actions and results

Asetek monitors energy consumption and GHG emissions across Scopes 1, 2 and 3, including data from primary contract manufacturers. In 2025 a new climate data platform was implemented to improve supplier-level data and emission factors. R&D continued evaluating recycled aluminium and other material improvements. Waste generated in own operations is handled through recycling and reuse solutions where possible. Compliance is monitored continuously in cooperation with Mediator A/S. All products carry CE and UL markings. No non-compliance incidents related to REACH, RoHS, 3TG conflict minerals or California Proposition 65 were identified in 2025.

Risks and outlook

Key climate risks relate to value-chain emissions, energy-intensive manufacturing and transportation,



and the use of critical metals such as aluminium and copper. Engagement with contract manufacturers and evaluation of material alternatives will continue in 2026. Regulatory developments related to hazardous substances also remain a risk area. Asetek will continue compliance monitoring and expand sustainability considerations within its SimSports product range.

Employee conditions Policy

Asetek aims to maintain a safe and supportive workplace. Employee conditions are governed by the staff handbook and ESG policy covering working conditions, health and safety, remuneration, training and diversity.

Actions and results

Managers conducted regular employee development dialogues in 2025. Systems for monitoring sick leave and safety procedures are maintained. All employees received wages above applicable minimum levels, with one temporary exception managed in accordance with Chinese labour law. No recordable work-related accidents occurred in 2025.

Risks and outlook

Key risks relate to employee wellbeing and safe working conditions. Asetek will continue targeted training and structured processes supporting employee wellbeing.

Human rights**Policy**

Asetek respects human rights in line with the UN Guiding Principles on Business and Human Rights. Expectations are extended to suppliers through the Business Relationships Code of Conduct.

Actions and results

Supply chain due diligence includes regular visits to contract manufacturers in China. A grievance mechanism enables employees to raise work-related concerns in a confidential manner. A separate whistleblower channel, administered by external legal counsel, enables reporting of suspected illegal conduct. No severe human rights violations were identified in 2025.

Risks and outlook

Human rights risks relate primarily to working conditions in manufacturing and raw material extraction. Asetek will continue supplier engagement and due diligence activities.

Anti-corruption**Policy**

Asetek maintains a zero-tolerance approach to bribery and corruption. Anti-corruption requirements form part of the company's policy framework and are included in contracts and business partner expectations.

Actions and results

Internal controls include anti-corruption guidelines and a whistleblower mechanism. No incidents of corruption were identified in 2025.

Risks and outlook

Risks relate to potential corruption exposure in international operations. Controls and business partner expectations will continue to be reinforced.

Data ethics**Policy**

Pursuant to Section 99d of the Danish Financial Statements Act, Asetek has adopted a Data Ethics Policy as part of its ESG Policy Framework. The policy commits Asetek to complying with applicable data protection legislation, including GDPR, and sets out expectations for employees and business partners to prevent and mitigate data and privacy risks.

Actions and results

Employees with access to personal data complete periodic e-learning on data handling and have signed confidentiality undertakings. Management monitors information security and data protection through periodic assessments, and significant incidents are handled according to established response procedures. The Executive Board reports at least annually to the Board of Directors on implementation and compliance.

Risks and outlook

Key risks relate to the management of consumer data, employee personal data and data handling in product development, including, where applicable, the use of data in AI and machine learning applications. Asetek will continue to monitor and strengthen data protection and information security efforts through its established governance processes.

Diversity policy

Pursuant to Section 107d of the Danish Financial Statements Act, the Company reports on its diversity policy in the following sections. Furthermore, Asetek's diversity policy is available here: <https://ir.asetek.com/Diversity-Policy>

This statement forms part of the Management's Report in the Annual Report for 2025 and covers the financial period 1 January – 31 December 2025. Asetek believes that diversity among employees and management, including an even distribution of age, nationality and educational background, contributes positively to the work environment and strengthens the Company's competitiveness and performance.

Historically, Asetek has been a diverse workplace, where employees have very different backgrounds, competencies and living conditions. Not only in relation to gender, age and origin, but equally in relation to education, experience and personality. It is therefore Asetek's goal that the management should reflect the diversity among our employees. To promote diversity among the company's management and Board of Directors, Asetek focuses on ensuring a broad and diverse candidate field in recruitment and promotion processes.

As of December 31, 2025, the Board of Directors consists of five individuals, of which 100% are men and 0% are women. In terms of age composition of management, 0% is under 40 years old, 100% are between 40 and 60 years old, and 0% is over 60.

The board members of Asetek cover a wide range of experiences from both the Danish and international business community. This composition is considered appropriate, as it ensures a breadth in the members' approach to the tasks, and thus helps to ensure qualified considerations and decisions.

FIVE-YEAR SUMMARY

FINANCIALS

FISCAL YEAR	2025	2024	2023	2022	2021
COMPREHENSIVE INCOME (\$'000'S)					
Revenue	41,497	52,502	76,332	50,650	79,803
Gross profit	17,089	21,945	34,708	20,765	33,373
Operating income	(9,969)	(19,248)	9,403	(5,401)	779
Financial items, net	(1,474)	1,031	(905)	(477)	618
Income before tax	(11,443)	(18,217)	8,498	(5,878)	1,397
Income for the year	(10,944)	(23,936)	6,001	(4,325)	1,337
Comprehensive income	(5,897)	(25,273)	6,722	(6,296)	(372)
Operating income before amortization, depreciation and financial items (EBITDA), unaudited	(4,614)	(13,802)	14,503	(1,231)	4,529
Adjusted EBITDA	(1,651)	271	15,864	(791)	7,223
BALANCE SHEET (\$'000'S)					
Total assets	84,779	79,363	102,739	78,615	75,354
Total equity	47,129	41,135	66,126	42,748	48,388
Interest-bearing debt	23,015	22,061	18,378	21,689	3,243
Working capital	5,705	4,362	(3,232)	(6,312)	20,603
Invested capital	127,147	115,860	112,177	99,346	80,900
Investment in property, plant and equipment	2,195	7,823	24,902	22,215	8,322
Investment in intangible assets	2,619	2,320	2,561	3,405	10,196
CASH FLOW (\$'000'S)					
Operating activities	(5,302)	1,213	16,280	(8,354)	14,317
Investing activities	(4,060)	(10,096)	(27,373)	(25,395)	(13,204)
Financing activities	9,244	4,959	11,836	18,327	(4,636)
Total cash flow	317	(5,828)	1,710	(15,885)	(3,803)

RATIOS & METRICS

FISCAL YEAR	2025	2024	2023	2022	2021
PROFIT & LOSS					
Gross margin	41.2%	41.8%	45.5%	41.0%	41.8%
Operating margin	-24.0%	-36.7%	12.3%	-10.7%	1.0%
Return on invested capital (ROIC)	-8.6%	-20.7%	5.3%	-4.4%	1.7%
Organic growth	-21.0%	-31.2%	50.7%	-36.5%	9.7%
BALANCE SHEET					
Quick ratio	0.9	0.9	0.6	0.6	1.6
Current ratio	1.3	1.2	0.9	0.8	1.8
Days sales outstanding	82.0	78.7	50.6	63.1	69.6
Inventory turns per year	3.4	3.9	5.2	4.8	11.5
Days payable outstanding	181.2	146.6	129.0	132.2	145.4
Debt to equity	48.8%	53.6%	27.8%	50.7%	6.7%
STOCK MARKET					
Earnings per share, basic (USD)	(0.03)	(0.25)	0.07	(0.08)	0.03
Earnings per share, diluted (USD)	(0.03)	(0.25)	0.07	(0.08)	0.03
Shares issued (000's)	318,240	98,314	98,314	27,147	26,970
Treasury shares (000's)	1,257	1,257	1,256	1,256	1,262
Share price (DKK)	1.65	0.48	3.90	8.46	30.58
Share price to earnings	-	-	7.87	-	90.56
Market capitalization (\$000's)	82,331	6,509	56,122	31,413	119,825
BUSINESS DRIVERS					
Sealed loop units shipped (000's)	719	768	1,165	797	1,386
Average selling price per unit, liquid coolers (USD)	49.1	55.7	59.3	56.2	52.6
Revenue per employee (\$000's)	367	407	570	362	528
Average number of employees	113	129	134	140	151

Refer to the Definitions of Ratios and Metrics on page 66 of this report.

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income	25
Consolidated balance sheet	26
Consolidated statement of changes in equity	27
Consolidated statement of cash flows	28
Notes	29



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(USD 000's)	Note	2025	2024
Revenue	4	41,497	52,502
Cost of sales	8	(24,408)	(30,557)
GROSS PROFIT		17,089	21,945
Research and development		(8,347)	(8,295)
Selling, general and administrative		(16,903)	(19,107)
Special items	2, 8	(2,369)	(13,791)
Other income	8	561	-
TOTAL OPERATING EXPENSES		(27,058)	(41,193)
OPERATING INCOME		(9,969)	(19,248)
Foreign exchange gain (loss)	9	(310)	1,444
Finance income	9	27	99
Finance costs	9	(1,191)	(512)
TOTAL FINANCIAL INCOME		(1,474)	1,031
INCOME BEFORE TAX		(11,443)	(18,217)
Income tax (expense) benefit	10, 11	499	(5,719)
INCOME FOR THE YEAR		(10,944)	(23,936)
Other comprehensive income items:			
Foreign currency translation adjustments		5,047	(1,337)
TOTAL COMPREHENSIVE INCOME		(5,897)	(25,273)
INCOME PER SHARE: (IN USD)			
Basic	12	(0.03)	(0.25)
Diluted	12	(0.03)	(0.25)

CONSOLIDATED BALANCE SHEET

(USD 000's)	Note	2025	2024	(USD 000's)	Note	2025	2024
ASSETS				EQUITY AND LIABILITIES			
NON-CURRENT ASSETS				EQUITY			
Intangible assets	14	11,111	10,943	Share capital	18	4,552	1,478
Property, plant and equipment	15	49,784	44,992	Retained earnings		50,248	52,375
Other assets		47	39	Translation and other reserves		(7,671)	(12,718)
TOTAL NON-CURRENT ASSETS		60,942	55,974	TOTAL EQUITY		47,129	41,135
CURRENT ASSETS				NON-CURRENT LIABILITIES			
Inventory	17	7,907	6,604	Long-term debt	19	19,518	19,201
Trade and other receivables	16	12,320	13,492	TOTAL NON-CURRENT LIABILITIES		19,518	19,201
Cash and cash equivalents		3,610	3,293	CURRENT LIABILITIES			
TOTAL CURRENT ASSETS		23,837	23,389	Short-term debt	19, 20	3,497	2,860
TOTAL ASSETS		84,779	79,363	Accrued liabilities		1,223	2,646
				Accrued compensation and employee benefits		1,297	1,250
				Trade payables		12,115	12,271
				TOTAL CURRENT LIABILITIES		18,132	19,027
				TOTAL LIABILITIES		37,650	38,228
				TOTAL EQUITY AND LIABILITIES		84,779	79,363

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(USD 000's)	Share capital	Share premium	Translation reserves	Treasury share reserves	Retained earnings	Total
EQUITY AT DECEMBER 31, 2023	1,478	–	(175)	(11,206)	76,029	66,126
Total comprehensive income for 2024						
Income for the year	–	–	–	–	(23,936)	(23,936)
Foreign currency translation adjustments	–	–	(1,337)	–	–	(1,337)
Total comprehensive income for 2024	–	–	(1,337)	–	(23,936)	(25,273)
Transactions with owners in 2024						
Share-based payment expense	–	–	–	–	282	282
Transactions with owners in 2024	–	–	–	–	282	282
EQUITY AT DECEMBER 31, 2024	1,478	–	(1,512)	(11,206)	52,375	41,135
Total comprehensive income for 2025						
Income for the year	–	–	–	–	(10,944)	(10,944)
Foreign currency translation adjustments	–	–	5,047	–	–	5,047
Total comprehensive income for 2025	–	–	5,047	–	(10,944)	(5,897)
Transactions with owners in 2025						
Shares issued in rights offering, net of issuance costs	3,074	7,259	–	–	–	10,333
Transfer	–	(7,259)	–	–	7,259	–
Share-based payment expense	–	–	–	–	1,558	1,558
Transactions with owners in 2025	3,074	–	–	–	8,817	11,891
EQUITY AT DECEMBER 31, 2025	4,552	–	3,535	(11,206)	50,248	47,129

CONSOLIDATED STATEMENT OF CASH FLOWS

(USD 000's)	Note	2025	2024	(USD 000's)	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				CASH FLOWS FROM FINANCING ACTIVITIES			
Income (loss) for the year		(10,944)	(23,936)	Borrowings (repayment) on line of credit	19	(1,916)	5,759
Depreciation and amortization	14,15	5,355	5,446	Proceeds from issuance of share capital	18	13,851	–
Impairment of property, plant and equipment	14	–	13,791	Costs incurred for issuance of share capital	18	(2,207)	–
Impairment of intangible assets	14	554	211	Financing of equipment	19	170	171
Finance income recognized	9	(27)	(99)	Principal payments on equipment financing	19	(333)	(262)
Finance costs incurred	9	1,191	1,494	Principal payments on leases	20	(321)	(709)
Finance income, cash received		27	99	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		9,244	4,959
Finance costs, cash paid		(1,177)	(1,471)	Effect of exchange rate changes on cash and equivalents		435	(1,904)
Impairment of deferred tax assets	11	–	4,209	NET CHANGES IN CASH AND CASH EQUIVALENTS		317	(5,828)
Income tax expense (income)	10, 11	(499)	1,510	Cash and cash equivalents at beginning of period		3,293	9,121
Cash receipt (payment) for income tax		(462)	(1,480)	CASH AND CASH EQUIVALENTS AT END OF PERIOD		3,610	3,293
Share-based payments expense	7	1,558	282	SUPPLEMENTAL DISCLOSURE – NON-CASH ITEMS			
Changes in receivables, prepaid assets, inventories		2,248	1,836	Assets acquired under leases	20	792	152
Changes in trade payables and accrued liabilities		(3,126)	(678)				
NET CASH PROVIDED BY OPERATING ACTIVITIES		(5,302)	1,213				
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to intangible assets	14	(2,619)	(2,320)				
Purchase of property, plant and equipment	15	(1,403)	(7,823)				
Disposal of long-term assets	15	(38)	47				
NET CASH USED IN INVESTING ACTIVITIES		(4,060)	(10,096)				
FREE CASH FLOW		(9,362)	(8,883)				

NOTES

1. GENERAL INFORMATION

Asetek A/S ('the Company'), and its subsidiaries (together, 'Asetek Group', 'the Group' or 'Asetek') designs, develops and markets gaming hardware for computers. The Group's core products utilize liquid cooling technology to provide improved performance, acoustics and energy efficiency. The Company is based in Aalborg, Denmark with personnel in USA, China and Taiwan. The Company's shares trade on the Nasdaq Copenhagen under the symbol 'ASTK'.

1.1. Acquisition of company and liquidity

In April 2026, all outstanding shares of Asetek A/S will be purchased by CQXA Holdings Pte. Ltd., a controlled subsidiary of Suzhou Chunqiu Electronic Technology Co., LTD. ("Chunqiu") in an all-cash public takeover of the Company. As of the date of this report, Chunqiu has received the approvals required under the outbound direct investment (ODI) regime of the People's Republic of China, including with the Ministry of Commerce (MOFCOM), the National Development and Reform Commission (NDRC) and the State Administration of Foreign Exchange (SAFE), and thus this condition to the Offer has been satisfied. As a result, the transaction will close on April 21, 2026, per the terms described in Asetek's exchange release dated November 25, 2025. Chunqiu will pay DKK 1.72 per share in cash to shareholders for all outstanding shares, valuing Asetek at approximately DKK 547.4 million.

Asetek requires additional funding to continue its operations. Chunqiu is listed on the Shanghai Stock Exchange, has sufficient capital resources to maintain Asetek's liquidity and has committed to funding Asetek's operations for the next year. At the time of closing, Chunqiu will provide Asetek with a loan to fulfill Asetek's liquidity needs and to cover incremental legal, audit and consulting expenditures associated with the acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The consolidated financial statements have been prepared on a historical cost convention, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the supplementary Danish information requirements for class D publicly listed companies.

2.2. Consolidation

The consolidated financial statements comprise the Company and its consolidated subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from the intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

2.3. Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Group's operations in the United States of America, Denmark and China are the U.S. dollar, Danish kroner, and Chinese Yuan Renminbi, respectively. The consolidated financial statements are presented in U.S. dollars, which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as operating expense in the income statement in foreign exchange (loss)/gain.

Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- // Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- // Income and expenses for each income statement are translated at average exchange rates;
- // All resulting exchange differences are recognized in other comprehensive income

2.4. Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. For assets constructed, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the historical cost (Note 2.16). Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future

economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation is provided over the estimated useful lives of the depreciable assets, generally three to five years, using the straight-line method. The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized as other income or expense in the consolidated income statement. Property, plant and equipment is grouped as follows:

Group	Estimated Useful Life
Buildings	30–50 years
Leasehold improvements	Lesser of 5 years or lease term
Plant and machinery	5 years
Tools and fixtures	3 to 5 years

2.5. Research and development

Research costs are expensed as incurred. Costs directly attributable to the design and testing of new or improved products to be held for sale by the Group are recognized as intangible assets within development projects when all of the following criteria are met:

- // it is technically feasible to complete the product so that it will be available for sale;
- // management intends to complete the product and use or sell it;
- // there is an ability to use or sell the product;
- // it can be demonstrated how the product will generate probable future economic benefits;
- // adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- // the expenditures attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the product include the employee costs associated with development. Other development expenditures that do not meet these criteria are recognized as expense when incurred. Development costs previously recognized as expense are not recognized as an asset in a subsequent period. Development costs recognized as assets are amortized on a straight-line basis over their estimated useful lives, which generally range between three and sixty months. Amortization expense related to capitalized development costs is included in research and development expense.

2.6. Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment annually, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of 1) an asset's fair value less costs to sell or 2) its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that previously suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. If an impairment loss on goodwill is identified, it is recognized as an expense and is not reversed in a subsequent period.

2.7. Financial assets

Recognition and Measurement

The Group determines the classification of its financial assets at initial recognition. Financial assets within the scope of IFRS 9 Financial Instruments are classified as follows:

- // 'Amortized cost' are financial assets representing contractual cash flows held for collection, where such cash flows solely represent payment of principal and interest.
- // 'Fair value'. All other financial assets, representing other debt and equity instruments that do not meet the 'amortized cost' criteria, are recognized at fair value. All fair value movements on financial assets are taken through the income statement, or for certain debt instruments that qualify, through other comprehensive income.

For all years presented, the Group's financial assets are all classified as 'amortized cost'.

Impairment of financial assets

For financial assets carried at amortized cost, the Group measures at the end of each reporting period the expected credit losses to be incurred for a financial asset or group of financial assets. The Company utilizes historical experience, evaluation of possible outcomes, current conditions and forecasts of future economic conditions to determine expected credit losses. Evidence may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.8. Financial liabilities

Recognition and measurement. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, or other liabilities. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value less, in the case of other liabilities, directly attributable transaction costs. The measurement of financial liabilities depends on their classification as follows:

// 'Financial liabilities at fair value through profit or loss' are derivatives entered into that do not meet the hedge accounting criteria as defined by IFRS 9. Gains or losses on liabilities held for trading are recognized in profit and loss. At December 31, 2025, the Company has no liabilities measured at fair value through profit and loss.

// 'Other liabilities' – After initial recognition, interest bearing debt is subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Offsetting of financial instruments. Financial assets and financial liabilities are offset, and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.9. Inventories

Inventories are stated at the lower of actual cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Adjustments to reduce the cost of inventory to its net realizable value, if required, are made for estimated excess, obsolescence, or impaired balances.

2.10. Trade receivables

Trade receivables are amounts due from customers for product sold in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for expected credit losses. If collection is expected in one year or less, trade receivables are classified as current assets. Expected credit losses are determined utilizing the simplified approach allowed under IFRS 9 Financial Instruments.

2.11. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits with banks, overdrafts and other short-term highly liquid investments with original maturities of three months or less.

2.12. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are recorded against equity in the period the equity transaction closes, as a deduction net of tax, from the proceeds.

2.13. Share-based payments

The Company issues options (or warrants) that allow management and key personnel to acquire shares in the Company. Through equity-settled, share-based compensation plans, the Company receives services from employees as consideration for the granting of equity options to purchase shares in the Company at a fixed



exercise price. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. The grant date fair value of options granted is recognized as an employee expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (vesting period). The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions as set forth in the share option program. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. At each reporting date, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The impact of the revision to original estimates, if any, is recognized in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

2.14. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15. Revenue recognition and other income

Revenue represents sale of the Group's products to customers which are principally resellers and original equipment manufacturers. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, sales tax, returns and after eliminating sales within the Group.

The Group's revenue is predominantly comprised of shipment of Asetek products in fulfillment of customer purchase orders. As such, the Company recognizes revenue when a valid contract is in place and control of the goods have transferred to the customer. Customer purchase orders and/or contracts are used as evidence of an arrangement. Delivery occurs and control of the goods is deemed to transfer when products are shipped to the specified location and the risks of obsolescence and loss have been transferred to the customer. For certain customers with vendor-managed inventory, delivery does not occur until product is acquired by the customer from the vendor-managed inventory location. The Company assesses collectability based primarily on the creditworthiness of the customer as determined by credit checks and customer payment history. Customers do not generally have a right of return.

Income received as a result of patent litigation settlement is recorded as other income as an offset to operating expense in the period the award is granted. Estimated costs for future product returns under warranty are charged to cost of sales and included in accrued liabilities.

2.16. Borrowings and related costs

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.17. Leases

Lease liabilities are accounted for under IFRS 16 Leases and measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Lease liabilities include the net present value of: fixed lease payments, amounts expected to be payable under residual value guarantees, any purchase options that are reasonably expected to be exercised, and any penalties for termination reflected in the lease term. The corresponding rental obligations, net of finance charges, are included in other long-term debt. Amounts due within one year are included in short-term debt.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to reflect a constant periodic rate of interest on the remaining balance of the liability for each period.

Leased assets are recognized as a right-of-use asset at the date at which the leased asset is available for use by the Group, initially measured at the present value of the lease liability and included in Property and equipment on the balance sheet.

2.18. Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. If the impact of time value is significant, the provision is calculated by discounting anticipated future cash flow using a discount rate before tax that reflects the market's pricing of the present value of money and, if relevant, risks specifically associated with the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.19. Contingent liabilities

Contingent liabilities are not recognized in the financial statements. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

2.20. Segment reporting

Business segmentation. The Group is reporting on two segments, Liquid cooling and SimSports. The segments are identified by their specific sets of products and specific sets of customers. The splitting of operating expenses between segments is based on the Company's best judgment and done by using the Company's employee/project time tracking system to capture total hours charged by project code. Operating expenses that are not divisible by nature (rent, telecommunication expenses, etc.) have been split according to actual time spent on the three businesses, and the Company's best estimate for attribution. Costs incurred for intellectual property defense and headquarters administration have been classified separately as headquarters costs and excluded from segment operating expenses. The CEO is the Group's chief operating decision maker. The CEO assesses the performance of the Group principally on measures of revenue and adjusted EBITDA.

Geographical segmentation. Each of the Group's offices in its three principal geographies fulfills a particular function that serves the Asetek Group as a whole. The majority of costs incurred in each of the geographies are generally incurred for the benefit of the entire Group and not to generate revenue in the respective geography. As a result, the financial results of the Group are not divided between multiple geographical segments for key operating decision-making. Revenue and assets by geography is measured and reported in Note 4, Geographical information.

2.21. Cash flow statement

The cash flow statement is prepared using the indirect method.

2.22. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Areas where significant judgment has been applied are:

// Impairment of non-current assets: In 2025, management reviewed the Group's asset and equity values during the year and identified no signs of impairment that would require further testing. In October 2024, management identified external indicators of impairment to the Group's net asset book value, including a significant decrease in the Group's public market capitalization compared with the equity value as of mid-2024. In performing an impairment test, management measured the net book value of equity against the net present value of future prospective cash flows and estimated impairment to the Group's equity value of approximately \$18 million to be applied to long-term assets. In property, plant and equipment, the Group's headquarters building had shown signs of impairment during an assessment of its alternative uses. As a result, management used judgment to apply \$13.8 million impairment to the headquarters building. This impairment charge is classified as a special item within operating expense in the consolidated income statement in 2024.

// Valuation of deferred tax assets: At December 31, 2025 and 2024, deferred tax assets are valued at zero on the consolidated balance sheet. Deferred income tax assets are recognized to the extent that the realization of the tax benefit to offset future tax liabilities is considered to be probable. In prior years, the Company has recorded deferred tax assets representing the estimated amount of net operating losses that will be utilized to offset future taxable income for the next five years. In 2024, management determined that it is not probable that the tax assets available to the Company would be utilized within five years, and therefore recorded impairment of \$4.2 million in the third quarter of 2024, resulting in a net book value of zero. The impairment charge is included in income tax expense in the consolidated income statement in 2024. Management's conclusion regarding the realization of deferred tax assets is unchanged in 2025. In future periods, management will continue to assess the probability of realization of the assets' value and adjust the valuation in accordance with IAS 12.

// Capitalization of development costs: the Group's business includes a significant element of research and development activity. Under IAS 38, there is a requirement to capitalize and amortize development spend to match costs to expected benefits from projects deemed to be commercially viable. The application of this policy involves the ongoing consideration by management of the forecasted economic benefit from such projects compared to the level of capitalized costs, together with the selection of amortization periods appropriate to the life of the associated revenue from the product. If customer demand for products or the useful lives of products vary from estimates, impairment charges on intangibles could occur.

2.23. Defined contribution plan

In 2008, the Company established a defined contribution savings plan (the “Plan”) in the U.S. that meets the requirements under Section 401(k) of the U.S. Internal Revenue Code. This Plan covers U.S. employees who meet the minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the Plan may be made at the discretion of the Board of Directors. For the year ended December 31, 2025, the Company’s matching contributions total \$14,000 (\$15,000 in 2024).

2.24. Special items

The Company may identify special items that are significant non-recurring items that management does not consider to be part of the Group’s ordinary activities. Such special items may include one-time impairment costs, restructuring, and strategic considerations regarding the future of the business, and are presented separately in the Consolidated Statement of Comprehensive Income to provide a more comparable basis for the Company’s operations. Management assesses which items are to be identified as special items and shown separately, in order to give a correct presentation of the statement of profit or loss and other comprehensive income.

2.25. ESEF Regulation

The Company’s Annual Report is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the Annual Report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

**2.26. Changes in accounting policy and disclosures -
New standards and amendments included in Annual Report for 2025**

Certain new standards, amendments to standards, and annual improvements to standards and interpretations are effective for annual periods beginning after January 1, 2025 and have been applied in preparing these consolidated financial statements. These applications did not materially impact the Group’s consolidated financial statements.

2.27. New standards and amendments not applied in the Annual Report for 2025

There are some new standards and amendments to standards and interpretations that have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group:

Standard	Content	Effective date
EU endorsed as of December 31, 2025		
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	May permit discharge of financial liabilities before settlement when paid by electronic transfer; amends classification of certain financial assets; requires additional disclosures for investments in equity instruments and disclosure of contractual terms that could change the timing or amount of contractual cash flows.	1-Jan-26
Annual Improvements Volume 11	The amendments clarify guidance across several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7, with most requiring retrospective application.	1-Jan-26
Not endorsed by EU as of December 31, 2025		
IFRS 18 Presentation and Disclosure in Financial Statements	A significant new standard to replace IAS 1, requiring management-defined performance measures that must be reconciled to IFRS defined subtotals, and clearly defined principles on aggregation and disaggregation, particularly in the statement of profit & loss. Requires restructuring the P&L into distinct categories including operating, investing, financing, income taxes, with mandatory subtotals. Applies to all entities reporting under IFRS.	1-Jan-27
IFRS 19 Subsidiaries without Public Accountability	Permits eligible subsidiaries without public accountability to apply full recognition and measurement principles while significantly reducing disclosure requirements; aims to reduce reporting burdens for subsidiaries whose parents produce IFRS-compliant financial statements.	1-Jan-27

3. RISK MANAGEMENT AND DEBT

The Group's activities expose it to a variety of risks: liquidity risk, market risk (including foreign exchange risk and interest rate risk) and credit risk. The primary responsibility for Asetek's risk management and internal controls in relation to the financial reporting process rests with executive management.

Asetek's internal control procedures are integrated in the accounting and reporting systems and include procedures with respect to review, authorization, approval and reconciliation. All entities in the Asetek Group report financial and operational data to the executive office on a monthly basis, including commentary regarding financial and business development. Based on this reporting, the Group's financial statements are consolidated and reported to executive management. Management is in charge of ongoing efficient risk management, including the identification of material risks, the development of systems for risk management, and that significant risks are routinely reported to the Board of Directors.

Liquidity risk. The Group incurred losses from operations and negative cash flows in the past two years. In 2023 and 2025, the Company issued new common shares of stock in rights offerings, raising net proceeds of \$16.1 million and \$11.6 million, respectively. Asetek requires additional funding to continue its operations. As described in Note 1.1 to the consolidated financial statements, in April 2026, all of the shares of Asetek A/S will be acquired by CQXA Holdings Pte. Ltd., a controlled subsidiary of Suzhou Chunqiu Electronic Technology Co., LTD. ("Chunqiu"). Chunqiu is listed on the Shanghai Stock Exchange, has sufficient capital resources to maintain Asetek's liquidity and has committed to funding Asetek's operations for the next year. At the time of closing, Chunqiu will provide Asetek with a loan to fulfill Asetek's liquidity needs and to cover incremental legal, audit and consulting expenditures associated with the acquisition.

The Group's corporate finance team monitors risk of a shortage of funds through regular updates and analysis of cash flow projections and maturities of financial assets and liabilities. The finance teams also review liquidity, balance sheet ratios (such as days' sales outstanding, inventory turns) and other metrics on a regular basis to ensure compliance both on a short- and long-term basis. As part of current efforts to maximize liquidity, management is pursuing options for factoring trade receivables, providing incentives to customers for early payment, and seeking to reduce inventories through targeted sales activities.

Asetek will continue to invest its capital principally in the development and marketing of its products. In 2016, the Board of Directors implemented a policy under which it may declare and distribute dividends to shareholders. At the Annual General Meetings in 2025 and 2024, the Board was authorized to acquire the Company's own shares. In 2025 and 2024, the Company did not repurchase shares. When considering payment of dividends or Asetek share purchases, the Board takes into consideration the Company's growth plans, international tax implications, liquidity requirements and necessary financial flexibility.

Debt covenants. Under lines of credit terms with Jyske Bank, the Company is required to comply with the following financial covenants at each quarter-end:

// Group solvency of at least 40%

// Segment reporting of EBITDA at Group level

// Minimum liquidity reserve of USD 2.5 million, with the exception that a minimum liquidity reserve of USD 1.5 million will be accepted for 2026

The Company complies with these covenants at December 31, 2025 and there are no indications that the Company will not comply with these covenants in the future.

The following are contractual maturities of financial liabilities, including lease and other financing payments on an undiscounted basis:

AS OF DECEMBER 31, 2025

(USD 000's)	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Lines of credit	–	(1,655)	(1,110)	(18,685)	(21,450)
Leases and equipment financing	–	(287)	(498)	(905)	(1,690)
Payables and accrued liabilities	–	(14,476)	(159)	–	(14,635)
	–	(16,418)	(1,767)	(19,590)	(37,775)

AS OF DECEMBER 31, 2024

(USD 000's)	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Lines of credit	–	(1,226)	(987)	(18,634)	(20,847)
Leases and equipment financing	–	(274)	(461)	(598)	(1,333)
Payables and accrued liabilities	–	(15,622)	(545)	–	(16,167)
	–	(17,122)	(1,993)	(19,232)	(38,347)



Market risk factors. The Group's current principal financial liabilities consist of principally long-term lines of credit and amounts owed on equipment financing and leases. The Group's financial assets mainly comprise trade receivables, cash and deposits. The Group's operations are exposed to market risks, principally foreign exchange risk and interest rate risk.

(a) Foreign exchange risk. With few exceptions, the Group's inventory purchase and sale transactions are denominated in U.S. dollars. The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures, principally with respect to the Danish kroner. Foreign exchange risk arises from operating results and net assets associated with Denmark-based operations where the Danish krone is the functional currency. Translation of the Denmark and Parent entity balance sheet accounts from Danish kroner to U.S. dollars affect the equity balances of the Group.

The Group has available lines of credit totaling 143 million Danish krone, of which DKK 136 million (USD 21.4 million) is outstanding at December 31, 2025 (further described in "(b) Interest rate risk" below). The lines of credit are revalued at the year-end exchange rate with the offset recognized as foreign exchange gain or loss in the consolidated income statement. The Group does not enter into derivatives or other hedging transactions to manage foreign exchange risk. Management mitigates this exposure through timely settlement of intercompany operating liabilities.

The ending exchange rate at December 31, 2025 was 6.35 Danish kroner to one U.S. dollar (7.14 to the U.S. dollar at December 31, 2024). The effect of a 10% strengthening of the Danish kroner against the U.S. dollar for the reporting period would have resulted in a decrease in pre-tax income for fiscal year 2025 of \$3.4 million (in 2024, decrease of the pre-tax income of \$2.5 million).

(b) Interest rate risk. The Group's interest rate risk consists of the following credit lines. As of December 31, 2025, Asetek has two lines of credit totaling 148.1 million Danish krone (USD 23.3 million). In addition, the Group had an overdraft position at year-end. In total, USD 21.4 million has been utilized, principally to finance a new headquarters facility.

// Asetek A/S, the Parent company, has a line of credit with Jyske Bank for DKK 128.1 million (USD 20.2 million), of which USD 20.2 million was utilized at December 31, 2025. This line is secured by the Group's land and building and other security arrangements and carries interest at Danish CIBOR 3 rate plus 2.45 percentage points which in total was 4.45% at December 31, 2025. The line specifies quarterly payments of DKK 2.35 million (USD 0.37 million) and matures on March 31, 2028. In addition, Asetek A/S had an overdraft position of DKK 3.2 million (USD 0.5 million) utilized at December 31, 2025.

// Asetek Danmark A/S has a revolving line of credit facility with Jyske Bank for DKK 5 million (USD 0.8 million) with a temporary increase to 20 million (USD 3.2 million), of which DKK 5.0 million (USD 0.8 million) was utilized at December 31, 2025. The line is secured by a corporate floating charge and guarantee arrangements and carries interest at the Danish CIBOR 3 rate plus 2.95 percentage points, which in total was 4.95% at December 31, 2025. The DKK 5 million facility matures on March 31, 2028. The DKK 15 million facility matures on June 30, 2026.

The variable nature of the Danish CIBOR 3 rate results in risk of increased interest cost due to potential changes in rates. At the level of borrowings as of December 31, 2025, the effect of a 50% relative increase in the Danish CIBOR 3 rate would result in increased annual interest cost of \$0.2 million (\$0.3 million in 2024).

Capital and debt management. To date the Company's primary focus has been to support its product development initiatives, maintain liquidity through use of financing alternatives, and maximize shareholder value. The Group manages its capital and debt structure with consideration of the liquidity needs of the Company and existing economic conditions. In April 2026, all shares of Asetek A/S will be acquired by CQXA Holdings Pte. Ltd., a controlled subsidiary of Suzhou Chunqiu Electronic Technology Co., LTD. ("Chunqiu"). Refer to Note 1.1. Chunqiu is listed on the Shanghai Stock Exchange and will oversee the Group's capital and debt management in the future.

Credit risk factors. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk primarily through trade receivables and cash deposits. Management mitigates credit risk through standard review of customer credit-worthiness and maintaining its liquid assets primarily with banks with credit ratings of A or higher, such as Wells Fargo Bank in the U.S. and Jyske Bank in Denmark. The carrying amount of the financial assets represents the maximum credit exposure.

Trade receivables that are deemed uncollectible are charged to expense with an offsetting allowance recorded against the trade receivable. Historically, bad debt expense has not been significant. Certain customers have accounted for a significant portion of the Company's revenue in the years presented, as follows. In 2025, the Company's four largest customers, all in the liquid cooling segment, accounted for 21%, 14%, 10% and 10% of revenue (three customers accounted for 34%, 18% and 9% of revenue in 2024), respectively. The Company mitigates risk with its largest customer by requiring two remittances per month as well as frequent monitoring and communicating regarding invoices coming due. In addition, management closely oversees large outstanding balances and will arrange payment plans as needed, to minimize losses on overdue balances.

At December 31, 2025 three customers, all in the liquid cooling segment, represented 28%, 17% and 10% of outstanding trade receivables (three represented 31%, 12% and 10% at December 31, 2024), respectively. The reserve for uncollectible trade accounts was \$59,000 at December 31, 2025 and \$32,000 at December 31, 2024. The aged trade receivables and bad debt reserve balances for all years presented are provided in Note 16.

The maximum exposure to credit risk at the reporting dates was:

(USD 000's)	2025	2024
Cash and cash equivalents	3,610	3,293
Trade receivables and other	12,320	13,492
Other assets	47	39
MAXIMUM CREDIT EXPOSURE	15,977	16,824

4. GEOGRAPHICAL INFORMATION

The Group operates internationally in several geographical areas, principally in Asia, Europe and the Americas. The following table presents the Group's revenue and assets in each of the principal geographical areas:

(USD 000's)	2025			2024		
	Revenue	Current assets	Non-current assets	Revenue	Current assets	Non-current assets
Asia	31,590	7,557	95	40,132	10,316	130
Americas	4,918	4,354	43	6,420	5,029	49
Europe	4,989	11,926	60,804	5,950	8,044	55,795
TOTAL	41,497	23,837	60,942	52,502	23,389	55,974

For the purpose of the above presentation, the information pertaining to revenue and current assets is calculated based on the location of the customers, whereas information pertaining to non-current assets is based on the physical location of the assets. The information pertaining to current assets is calculated as a summation of assets such as trade receivables and finished goods inventories reasonably attributable to the specific geographical area.

(USD 000's)	Non-current assets	
	2025	2024
Denmark	60,804	55,795
USA	43	49
China	95	130
TOTAL	60,942	55,974

(USD 000's)	Revenue	
	2025	2024
Denmark	893	609
China	4,646	5,631
Singapore	2,815	6,808
Taiwan	17,605	22,570
USA	4,845	6,240
Japan	6,140	4,034
All others	4,553	6,610
TOTAL	41,497	52,502

5. SEGMENT INFORMATION

In 2025, the Company reports on two segments, Liquid cooling and SimSports. The segments are identified by their specific sets of products and customers. The CEO is the Group's chief operating decision-maker. The CEO assesses the performance of each segment principally on measures of revenue, gross margin and adjusted EBITDA. Refer to page 66 for definition of adjusted EBITDA. The following tables represent the results by operating segment in 2025 and 2024. Disaggregation of revenue by sales channel is also presented for the major markets within each segment. Revenue generated from retailers and online webstore is principally from the sale of SimSports products.

Reconciliation of Adjusted EBITDA to Income before tax

(USD 000's)	2025	2024
EBITDA adjusted- Liquid Cooling	10,294	12,495
EBITDA adjusted- SimSports	(8,517)	(8,897)
Special items	(2,369)	(13,791)
Headquarters costs, net	(3,428)	(3,327)
Share-based compensation	(594)	(282)
Depreciation and amortization	(5,355)	(5,446)
Total financial income (expenses)	(1,474)	1,031
CONSOLIDATED INCOME BEFORE TAX	(11,443)	(18,217)

Disaggregation of revenue

(USD 000's)	2025	2024
OEM and System Integrators	35,278	42,803
Retailers	2,325	5,265
Online webstore	3,416	4,329
Office lease	478	105
TOTAL	41,497	52,502

Segment operating results – years ended December 31

(USD 000's)	2025				2024			
	Liquid Cooling	SimSports	Not allocable to divisions	Total	Liquid Cooling	SimSports	Not allocable to divisions	Total
Revenue	35,310	5,709	478	41,497	42,803	9,594	105	52,502
Gross margin	44%	19%	–	41%	45%	25%	–	42%
Personnel expense	(3,968)	(4,167)	(2,529)	(10,664)	(4,563)	(5,090)	(2,221)	(11,874)
Adjusted EBITDA	10,294	(8,517)	(3,428)	(1,651)	12,495	(8,897)	(3,327)	271

6. SALARY COSTS AND REMUNERATIONS

(USD 000's)	2025	2024
Salaries	10,276	11,460
Retirement fund payments to defined contribution plan	656	629
Social cost	1,464	1,492
Share-based payment	590	282
Other expenses	906	1,186
TOTAL PERSONNEL COSTS	13,892	15,049
Less: Costs applied to inventory production	(589)	(1,065)
Less: Capitalized as development cost	(2,639)	(2,110)
TOTAL PERSONNEL COSTS IN OPERATING EXPENSE	10,664	11,874
AVERAGE NUMBER OF EMPLOYEES	113	129

(USD 000's)	2025	2024
Research and development	4,809	4,688
Selling, general and administrative	9,083	10,361
TOTAL PERSONNEL COSTS	13,892	15,049

Options Granted

	2025	2024
Board of Directors	–	–
Officers	15,645,500	–
Other executives	3,160,633	–
Other employees	–	–
TOTAL	18,806,133	–

Compensation to Board of Directors, Officers and Other Executives

(USD 000's)	2025				2024			
	Directors	Officers	*Other Executives	Total	Directors	Officers	*Other Executives	Total
Salary	–	1,235	834	2,069	–	1,147	1,003	2,150
Bonus	–	252	180	432	–	287	311	598
Share-based**	–	1,245	65	1,310	–	210	68	278
Other	255	318	86	659	255	268	233	756
TOTAL	255	3,050	1,165	4,470	255	1,912	1,615	3,782

* Other executives include other members of the executive team who are leaders of the key functions (Engineering, Brand & Digital, Sales and Operations).

** Including \$810 thousand of share-based compensation expense related to accelerated vesting, attributable to Officers and Other Executives.

The Company's CEO has twelve months' notice and an extraordinary severance payment of six months' base salary in case of termination by the Company (other than for material breach). The Company's CFO has an agreement of seven months' severance pay in case of termination or termination in connection with change of control. Except for the Company's CEO and CFO and other members of the executive group, no member of the administrative, management or supervisory bodies has contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

Total compensation to the Board of Directors and Officers was \$3,305,000 and \$2,167,000 in 2025 and 2024, respectively. The 2025 amount included incremental share-based compensation expense of \$964,117 related to accelerated vesting, classified in Special Items.

In 2024, total compensation to Other Executives included a one-time severance payment of \$161,000 representing six months' salary to the Chief Operating Officer (COO), as per the terms of his separation agreement, and included in 'Other' compensation to 'Other Executives' in the compensation table below.

Share ownership of officers, including immediate family members, at December 31, 2025:

	André S. Eriksen	Peter D. Madsen
Common shares	4,080,037	1,870,376
Options at DKK 0.43	9,312,300	3,233,400
Options at DKK 0.77	2,300,900	798,900
Options at DKK 2.08	1,150,000	393,400
Options at DKK 2.29	151,900	50,975
Options at DKK 3.76	106,800	61,750
Options at DKK 5.84	68,500	42,075
Options at DKK 15.26	57,200	17,700
TOTAL SHARES CONTROLLED	17,227,637	6,468,576

7. SHARE BASED PAYMENT

Asetek's Equity Incentive Program is a share compensation program where the employees that deliver services to the Group have been granted share options (or warrants). The options, if vested and executed, will be settled in common shares of the Company. The options are granted at the time of employment and, under other circumstances, at the discretion of the Board of Directors. The options are granted with exercise prices equaling the fair market value of the underlying security. The exercise prices of option grants are determined based on the closing market price of the shares for the five most recent trading days prior to the grant date.

Share-based compensation expense, before considering events that occurred subsequent to year-end, was \$594,000 and \$282,000 for the years ended December 31, 2025 and 2024, respectively. Subsequent to December 31, 2025, all outstanding shares of Asetek A/S will be acquired by an external entity (Note 24). Under the terms of the transaction, all outstanding options fully vest. As a result, the Company recognized an incremental \$1.0 million of share-based compensation, classified in Special Items on the consolidated income statement in the year ended December 31, 2025.

The goals of the equity incentive program are as follows:

- // To attract and retain the best available personnel for positions of substantial responsibility;
- // To provide additional incentive to employees, directors and consultants, and
- // To promote the success of the Company's business.

In January 2025, in consideration of the dilution effect of the Company's January 2025 rights offering (Note 18), the Board of Directors reduced the exercise prices of outstanding share options to 51.1% of their original level. The repricing of options is summarized as follows:

Grant year	Original Exercise Price	Revised Exercise Price
2023	DKK 4.07	DKK 2.08
2022	DKK 4.49	DKK 2.29
2021	DKK 29.89	DKK 15.26
2020	DKK 11.44	DKK 5.84
2019	DKK 7.37	DKK 3.76
2018	DKK 13.82	DKK 7.06

The Company's shares trade on the Nasdaq Copenhagen at prices denominated in Danish krone (DKK). The exchange rate at December 31, 2025 of DKK to USD was 6.35.

In January 2025, the Company granted to Officers 15,532,800 options with an exercise price of DKK 0.43 per share and estimated fair value of \$0.7 million, and in April 2025, the Company granted to Officers 3,099,800 options with exercise prices of DKK 0.77 per share and estimated fair value of \$0.3 million. Also in April 2025, the company granted 173,533 restricted stock units (RSU's) to Other Executives with exer-

cise prices of DKK 0.77 per share and estimated fair value of \$0.02 million. The Company did not grant any options in 2024. Movements in the number of share options outstanding and their related weighted average exercise price reflecting the revised exercise prices are specified in the following table.

Activity for exercise prices of DKK 0.43 to DKK 3.76

	2025	Weighted Average Exercise price (DKK)	2024	Weighted Average Exercise price (DKK)
Outstanding on January 1	3,465,846	2.29	3,721,003	2.28
Options/warrants granted	18,806,133	0.49	–	–
Options/warrants exercised	–	–	–	–
Options/warrants forfeited	(584,959)	2.10	(255,157)	2.20
OUTSTANDING ON DECEMBER 31	21,687,020	0.73	3,465,846	2.29
EXERCISABLE ON DECEMBER 31	722,637	3.04	659,145	3.14

This table does not consider the 100% vesting to result from the acquisition as described in Note 24.

Activity for exercise prices of DKK 5.84 to DKK 15.26

	2025	Weighted Average Exercise price (DKK)	2024	Weighted Average Exercise price (DKK)
Outstanding on January 1	680,328	8.73	1,198,476	10.32
Options/warrants granted	–	–	–	–
Options/warrants exercised	–	–	–	–
Options/warrants forfeited	(263,168)	7.15	(518,148)	12.41
OUTSTANDING ON DECEMBER 31	417,160	9.71	680,328	8.73
EXERCISABLE ON DECEMBER 31	417,160	9.71	680,328	8.73

This table does not consider the 100% vesting to result from the acquisition as described in Note 24.

The composition of options and warrants outstanding at December 31 is as follows:

Options and Warrants Outstanding at December 31

	2025	2024
DKK 0.43	15,532,800	–
DKK 0.77	3,273,333	–
DKK 2.08	2,158,250	2,733,300
DKK 2.29	351,947	355,580
DKK 3.76	370,690	376,966
DKK 5.84	245,691	249,867
DKK 7.06	–	255,442
DKK 15.26	171,469	175,019
TOTAL	22,104,180	4,146,174

Total outstanding options and warrants represents 6.9% of total common shares issued at December 31, 2025 (4.3% in 2024).

The Company calculated the fair value of each option award on the date of grant using the Black-Scholes option pricing model, which requires subjective assumptions, including future stock price volatility and expected time to exercise. The Company sets the exercise price of shares granted as the average closing price of the Company's shares for the five most recent trading days prior to the grant date. The expected volatility was based on the historical volatility of the Company's stock price. The weighted average remaining contractual term of options outstanding is 3.85 years. However, following the accelerated vesting resulting from the acquisition of Asetek A/S by CQXA Holdings Pte. Ltd. in an all-cash public takeover of the Company in April 2026 (see Note 24), the exercise period for vested options is estimated to be four months.

Expected volatility is calculated based on the actual volatility experienced during the three-year period prior to each option's grant date. The following weighted average assumptions were used for the period indicated.

Valuation assumptions for options granted

	2025	2024
Risk-free interest rate	3.7% to 4.2%	NA
Dividend yield	0.0%	NA
Expected life of options (years)*	4.0	NA
Expected volatility	115%	NA

* Expected life represents the assumption used in the Black-Scholes valuation model at the grant date and does not reflect the four-month exercise period applicable to vested options in connection with the April 2026 acquisition of the Company.

8. EXPENSES BY NATURE

Expenses by Nature

(USD 000's)	Note	2025	2024
Inventories recognized as cost of sales	17	24,408	30,557
Personnel expenses	6	13,892	15,049
Depreciation and amortization	14,15	5,355	5,446
Legal, patent, consultants and auditor		3,173	2,430
Facilities and infrastructure		1,363	1,720
Special items		2,369	13,791
Other expenses		4,106	4,867
TOTAL OPERATING EXPENSES BEFORE CAPITALIZATION		54,666	73,860
Less: capitalized costs for development projects	14	(2,639)	(2,110)
TOTAL EXPENSES		52,027	71,750

Depreciation and amortization expense classification

(USD 000's)	2025	2024
Depreciation and amortization expense included in:		
Research and development	2,734	2,866
Selling, general and administrative	2,621	2,580
TOTAL	5,355	5,446

Special items. In 2025, the Company recorded the following as special items in the income statement:

- Incremental share-based compensation of \$1.0 million (Note 7) and legal and advisory services of \$0.8 million pertaining to the April 2026 acquisition of Asetek, as described at Note 24.
- Goodwill impairment of \$0.6 million related to a prior business acquisition (Note 14).

In 2024, the Company recorded a non-cash impairment charge of \$13.8 million as a consequence of an assessed impairment within the cash generating units. This one-time charge was classified as a special item in operating expense on the income statement and was recorded as impairment of the Company's headquarters facility included in property, plant and equipment.

Other income. In 2025, the Company received an insurance settlement resulting in net other income of \$0.6 million presented separately as an offset to total operating expenses in the income statement in 2025.

9. FINANCE COSTS AND INCOME

(USD 000's)	2025	2024
FOREIGN EXCHANGE GAIN (LOSS)	(310)	1,444
FINANCE INCOME	27	99
Interest cost on line of credit	(948)	(1,105)
Interest cost on leases and equipment financing	(52)	(83)
Other banking and finance fees	(192)	(306)
Subtotal	(1,191)	(1,494)
Less: amount capitalized	–	982
FINANCE COST	(1,191)	(512)

10. INCOME TAXES

Asetek A/S, the Group's parent company, moved from U.S. to Denmark in 2013 and is currently subject to income tax in both U.S. and Denmark. The Company is working with the U.S. and Danish tax authorities to negotiate a resolution in accordance with international double taxation treaties.

The tax expense on the group's income before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

(USD 000's)	2025	2024
INCOME (LOSS) BEFORE TAX	(11,443)	(18,217)
(Tax) benefit calculated at Denmark's statutory income tax rate	2,517	4,008
Tax effects of:		
Differences in tax rates in other countries	73	(17)
R&D credit	72	61
Timing differences between book and tax not recognized, in part due to book impairment charge on property plant and equipment	(390)	(3,206)
Impairment of deferred tax assets	–	(4,209)
Deferred tax value of current year losses, net unrecognized	(1,329)	(1,491)
Effect of U.S. GILTI regulation applied to foreign corporation income pertaining to fiscal 2023	–	(867)
Other permanent differences between book and tax	(444)	2
TAX (EXPENSE) BENEFIT	499	(5,719)

11. DEFERRED INCOME TAX

(USD 000's)	2025	2024
Potential tax assets from net losses	6,999	5,227
Potential tax assets resulting from timing differences between book and tax	8,028	6,799
Tax assets not recognized	(15,027)	(12,026)
DEFERRED INCOME TAX ASSETS	–	–

At December 31, 2025, potential income tax assets totaled \$15.0 million (2024: \$12.0 million) in respect of timing differences and losses to be carried forward amounting to \$27.3 million applied to different tax rates. The losses can be carried forward against future taxable income but may be limited in use according to local jurisdictions. The potential tax assets do not consider probable limitations of use resulting from the April 2026 acquisition of Asetek A/S as described in Note 24. The potential tax assets resulting from timing differences include the effect of dual taxation of the Parent company, by both U.S. and Denmark. Due to uncertainty of the realizability of deferred tax assets, the Group has fully reserved the value of potential assets, resulting in zero value on the balance sheet at December 31, 2025 and 2024.

In accordance with IAS 12, the Company recognizes deferred tax assets arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Company. The estimated tax benefit is calculated considering historical levels of income, expectations and risks associated with estimates of future taxable income. The calculation utilizes the statutory tax rates that are expected to apply to taxable income for the years in which the asset is expected to be realized.

Losses of the U.S. parent company and U.S. subsidiary will begin to expire in 2029 for carryforward purposes. Losses of the Denmark subsidiary do not expire.

(USD 000's)	Tax effected loss
Expire in years 2029 to 2045	1,023
Expire in year 2033	59
Do not expire	5,917
TOTAL	6,999

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the number of common shares outstanding used in the Basic calculation for the effect of dilutive equity instruments, which include options and warrants to the extent their inclusion in the calculation would be dilutive.

	2025	2024
Income attributable to equity holders of the Company (USD 000's)	(10,944)	(23,936)
Weighted average number of common shares outstanding (000's)	313,617	97,058
BASIC AND DILUTED EARNINGS PER SHARE	(\$0.03)	(\$0.25)

13. FINANCIAL INSTRUMENTS CATEGORY AND FAIR VALUE ESTIMATION

The Company uses the following valuation methods for fair value estimation of financial instruments:

- // Quoted prices (unadjusted) in active markets (Level 1).
- // Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2)
- // Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

All of the Company's financial assets as of December 31, 2025 are classified as "amortized cost" having fixed or determinable payments that are not quoted in an active market (Level 3). As of December 31, 2025, all of the Company's financial liabilities are carried at amortized cost having fixed or determinable payments that are not quoted in an active market (Level 3).

Based on current interest rates, the Company believes that book value approximates fair value for all financial instruments as of December 31, 2025 and 2024. The values of the Group's assets and liabilities are as follows:

At December 31, 2025

(USD 000's)	Amortized cost
Assets as per balance sheet:	
Trade receivables and other	12,320
Cash and cash equivalents	3,610
	15,930

At December 31, 2024

(USD 000's)	Amortized cost
Assets as per balance sheet:	
Trade receivables and other	13,492
Cash and cash equivalents	3,293
	16,785

At December 31, 2025

(USD 000's)	Liabilities at fair value through profit and loss	Other Financial Liabilities at amortized cost	Total
Liabilities as per balance sheet:			
Long-term debt		19,518	19,518
Short-term debt		3,497	3,497
Trade payables and accrued liabilities		14,635	14,635
		37,650	37,650

At December 31, 2024

(USD 000's)	Liabilities at fair value through profit and loss	Other Financial Liabilities at amortized cost	Total
Liabilities as per balance sheet:			
Long-term debt	–	19,201	19,201
Short-term debt	–	2,860	2,860
Trade payables and accrued liabilities	–	16,167	16,167
	–	38,228	38,228

14. INTANGIBLE ASSETS

In 2021, the Company purchased intellectual property and other assets from a third party which included intangible assets with an estimated fair value of \$7.8 million, the majority of which were in development. As the assets are placed in service, they are being amortized over their estimated useful lives ranging from 6 to 10 years.

Goodwill. In 2024, Asetek had goodwill of \$0.5 million which originated from an acquisition by the Company in 2020. Goodwill is not amortized but reviewed for impairment once a year and also if events or changes in circumstances indicate the carrying value may be impaired. If impairment is established, goodwill is written down to its lower recoverable amount. In 2025, due to the Company's development of new technologies used in its SimSports products, goodwill associated with the 2020 transaction was deemed to be fully impaired and written down to zero.

Intangible assets as of December 31 are as follows:

(USD 000's)	2025	2024
Goodwill	–	513
Capitalized development costs	5,950	5,162
Other assets	5,161	5,268
TOTAL INTANGIBLE ASSETS	11,111	10,943

Capitalized development costs. The Group routinely incurs costs directly attributable to the design and testing of new or improved products to be held for sale. These costs are capitalized as intangible assets and amortized over the estimated useful lives of the products, typically three to sixty months.

Impairment tests are performed annually on developed assets and assets under construction. Impairment tests are also performed on completed assets whenever there are indications of a need for write-offs and for assets still in development regardless of whether there have been indications for write downs. If the value of expected future free cash flow of the specific development project is lower than the carrying value, the asset is written down to the lower value. The booked value includes capitalized salary and related expenses for the cash flow producing project. Expected future free cash flow is based on budgets and anticipations prepared by management. The main parameters are the development in revenue, EBIT and working capital. Impairment losses in 2025 and 2024 represent principally assets in the Liquid cooling segment which are no longer associated with a future income stream.

Impairment assessment. In 2024, management identified indicators of impairment and therefore performed an impairment assessment of long-term assets. As a result, impairment to long-term assets was recorded as described in Note 2.22. In 2025, management did not identify significant indicators of potential impairment to long-term assets.

Capitalized development costs

(USD 000's)	2025	2024
COST:		
Balance at January 1	10,141	9,850
Additions	2,619	2,320
Deletions- completion of useful life	–	–
Impairment loss	(254)	(2,029)
BALANCE AT DECEMBER 31	12,506	10,141
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES:		
Balance at January 1	(4,979)	(4,639)
Amortization for year	(1,852)	(2,158)
Amortization associated with deletions	–	–
Amortization associated with impairment losses	275	1,818
BALANCE AT DECEMBER 31	(6,556)	(4,979)
CARRYING AMOUNT	5,950	5,162

Other intangible assets

(USD 000's)	2025	2024
COST:		
Balance at January 1	6,794	7,195
Additions	–	–
Exchange rate differences	844	(401)
BALANCE AT DECEMBER 31	7,638	6,794
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES:		
Balance at January 1	(1,526)	(899)
Amortization for year	(731)	(704)
Exchange rate differences	(220)	77
BALANCE AT DECEMBER 31	(2,477)	(1,526)
CARRYING AMOUNT	5,161	5,268

15. PROPERTY, PLANT AND EQUIPMENT

In 2024, the Company capitalized \$6.1 million of costs associated with the construction of a new headquarters facility, including \$1.0 million of borrowing costs. Construction was completed in 2024 and Asetek occupied the building beginning Q4 2024. Asetek recorded an impairment charge of \$13.8 million against this asset in 2024. Refer to Note 2.22. The Company is leasing sections of the building that are not occupied by Asetek and plans to continue to do this for three to five years and to subsequently occupy the entire facility

thereafter. The sections leased are contiguous with the premises occupied by Asetek and cannot be feasibly separated. As a result, the asset is accounted for as a domicile property, recorded at cost and depreciated over its estimated useful life of 50 years. In 2025 and 2024, the Company recognized \$0.5 million and \$0.1 million of rental income associated with this lease, respectively.

The following table presents total property, plant and equipment:

(USD 000's)	Leasehold Improvements	Machinery	Other fixtures, fittings, tools, equipment	Properties	Building under construction	Total
COST:						
Balance at January 1, 2024	1,502	7,954	3,720	5,442	46,620	65,237
Additions	43	580	1,274	–	6,078	7,975
Transfer	–	–	–	52,698	(52,698)	–
Disposals	(1,383)	(601)	(764)	(130)	–	(2,878)
Exchange rate differences	(40)	(442)	(159)	(163)	–	(804)
BALANCE AT DECEMBER 31, 2024	122	7,491	4,071	57,847	–	69,531
Balance at January 1, 2025	122	7,491	4,071	57,847	–	69,531
Additions	32	1,074	510	579	–	2,195
Disposals	–	(232)	(510)	(2,926)	–	(3,668)
Exchange rate differences	14	965	473	7,105	–	8,557
BALANCE AT DECEMBER 31, 2025	168	9,298	4,544	62,605	–	76,615
ACCUMULATED DEPRECIATION:						
Balance at January 1, 2024	(1,441)	(5,555)	(2,156)	(2,188)	–	(11,340)
Disposals	1,382	600	586	–	–	2,568
Impairment	–	–	–	(13,791)	–	(13,791)
Depreciation for the year	(40)	(1,154)	(654)	(740)	–	(2,588)
Exchange rate differences	37	327	109	139	–	612
BALANCE AT DECEMBER 31, 2024	(62)	(5,782)	(2,115)	(16,580)	–	(24,539)
Balance at January 1, 2025	(62)	(5,782)	(2,115)	(16,580)	–	(24,539)
Disposals	–	215	351	2,926	–	3,492
Depreciation for the year	(28)	(1,083)	(796)	(871)	–	(2,778)
Exchange rate differences	(8)	(754)	(265)	(1,979)	–	(3,006)
BALANCE AT DECEMBER 31, 2025	(98)	(7,404)	(2,825)	(16,504)	–	(26,831)
CARRYING AMOUNT AT DECEMBER 31, 2024	60	1,709	1,956	41,267	–	44,992
CARRYING AMOUNT AT DECEMBER 31, 2025	70	1,894	1,719	46,101	–	49,784

16. TRADE RECEIVABLES AND OTHER

Trade receivables are non-interest bearing and are generally on payment terms of Net 30 days. The trade receivables of Asetek Danmark A/S carry a general lien on the business of Asetek Danmark A/S (refer to Note 25). The carrying amount of trade receivables is approximately equal to fair value due to the short term to maturity. Regarding credit risks, refer to Note 3.

(USD 000's)	2025	2024
Gross trade receivables	9,380	11,349
Provision for uncollectible accounts	(59)	(32)
NET TRADE RECEIVABLES	9,321	11,317
Other receivables	2,207	1,236
Prepaid assets	792	939
TOTAL TRADE RECEIVABLES AND OTHER	12,320	13,492

(USD 000's)	2025	2024
Provision for uncollectible accounts		
Balance at January 1	(32)	(59)
Additions	(59)	(32)
Reversals	32	59
BALANCE AT DECEMBER 31	(59)	(32)

The aging of trade receivables as of reporting date is as follows:

(USD 000's)	Past due:				
	Total	Not yet due	1 to 30 days	31 to 60 days	Over 60 days
December 31, 2025	9,380	7,658	229	534	959
December 31, 2024	11,349	9,225	1,400	517	207

Credit Loss Provision Matrix 2025

(USD 000's)	Past due:				
	Total	Not yet due	1 to 30 days	31 to 60 days	Over 60 days
Gross carrying amount	9,380	7,658	229	534	959
Expected credit loss rate		0.1%	0.9%	0.9%	5.0%
Lifetime expected credit loss		(4)	(2)	(5)	(48)

Credit Loss Provision Matrix 2024

(USD 000's)	Total	Past due:			
		Not yet due	1 to 30 days	31 to 60 days	Over 60 days
Gross carrying amount	11,349	9,225	1,400	517	207
Expected credit loss rate		0.1%	0.5%	1.9%	2.9%
Lifetime expected credit loss	(32)	(9)	(7)	(10)	(6)

17. INVENTORIES

The Company's inventories are pledged as security for lines of credit outstanding as per Note 19. Inventories at December 31 are as follows:

(USD 000's)	2025	2024
Raw materials and work-in-process	2,964	3,197
Finished goods	5,957	4,390
Total gross inventories	8,921	7,587
Less provision for inventory reserves	(1,014)	(983)
TOTAL NET INVENTORIES	7,907	6,604

(USD 000's)	2025	2024
Inventories recognized as cost of sales during period	(24,408)	(30,557)
Write-down of inventories to net realizable value	(1,014)	(983)

A summary of the activity in the provision for inventory reserves is as follows:

Provision for inventory reserves

(USD 000's)	2025	2024
Balance at January 1	(983)	(1,262)
Additions	(1,014)	(983)
Write-offs	983	1,262
BALANCE AT DECEMBER 31	(1,014)	(983)

18. SHARE CAPITAL

In April 2026, 100% of the outstanding shares of Asetek A/S will be acquired by an external party. Refer to Note 24.

In January 2025, the Company issued 219,925 thousand new common shares of stock in a rights offering, raising net proceeds of \$10.3 million after deduction of total issuance costs of \$2.0 million. The shares were issued through an offering to then-existing shareholders to purchase three common shares for each share held at a price of DKK 0.40 per share. The transaction meets the requirements for exemption from accounting for derivative financial instruments per IAS 32 Financial Instruments Presentation.

In 2025 and 2024, there were no stock options exercised.

As of December 31, 2025, there are 316,983 thousand common shares outstanding with a nominal value of 0.10 DKK per share and 1,257 thousand shares (0.4% of total shares, nominal value DKK 125.6 thousand) held in treasury. Included in equity is a reserve for treasury shares of approximately \$11,206 thousand at December 31, 2025. All common shares outstanding are fully paid and carry no special rights.

The Company does not cancel shares that are repurchased but maintains them in treasury to fulfill option exercises. Refer to 'Shareholder information' in this report for information regarding the composition of Asetek shareholders.

The following table summarizes the common share activity in the years presented:

(000's)	2025	2024
Common shares outstanding- January 1	97,058	97,058
Common shares issued in rights offering	219,925	–
COMMON SHARES OUTSTANDING – DECEMBER 31	316,983	97,058
COMMON SHARES OWNED BY THE COMPANY - DECEMBER 31	1,257	1,257

19. NET DEBT

The Company's debt at December 31, 2025 consists of the following:

// Asetek A/S, the Parent company, has a line of credit with Jyske Bank for DKK 128.1 million (USD 20.2 million), of which USD 20.2 million was utilized at December 31, 2025. This line is secured by the Group's land and building and other security arrangements and carries interest at Danish CIBOR 3 rate plus 2.45 percentage points which in total was 4.45% at December 31, 2025. The line specifies quarterly payments of DKK 2.35 million (USD 0.37 million) and matures on March 31, 2028. In addition, Asetek A/S had an overdraft position of DKK 3.2 million (USD 0.5 million) utilized at December 31, 2025.

// Asetek Danmark A/S has a revolving line of credit facility with Jyske Bank for DKK 5 million (USD 0.8 million) with a temporary increase to 20 million (USD 3.2 million), of which DKK 5.0 million (USD 0.8 million) was utilized at December 31, 2025. The line is secured by a corporate floating charge and guarantee arrangements and carries interest at the Danish CIBOR 3 rate plus 2.95 percentage points, which in total was 4.95% at December 31, 2025. The DKK 5 million facility matures on March 31, 2028. The DKK 15 million facility matures on June 30, 2026.

Debt covenants. Under the terms of the lines of credit, the Company is required to comply with certain financial covenants as described in Note 3. As of December 31, 2025, the Company is in compliance with all covenants.

The capitalization rate for borrowing costs on lines of credit was 100% up through September 30, 2024, as all funds drawn to that point were utilized for additions to the qualifying asset. No borrowing costs have been capitalized in 2025.

The Company has entered into agreements to finance equipment. The amortized cost of the equipment at transaction date was used as the estimate on fair value and the liability is accounted for at amortized cost using the effective interest rate method. The financing agreements carry interest at the Danish CIBOR 3 rate plus 2.4 to 3.1 percentage points, which in total ranged from 4.4% to 5.1% at December 31, 2025.

The following are tables specifying the Company's debt:

(USD 000's)	2025	2024
Line of credit- due within one year	(2,765)	(2,213)
Equipment financing- due within one year	(463)	(320)
Leases- amounts due within one year	(269)	(327)
DEBT INCLUDED IN CURRENT LIABILITIES	(3,497)	(2,860)
Line of credit- due after one year	(18,685)	(18,634)
Equipment financing and other liabilities- due after one year	(401)	(556)
Leases- amounts due after one year	(432)	(11)
TOTAL DEBT	(23,015)	(22,061)
Less cash and cash equivalents	3,610	3,293
NET DEBT	(19,405)	(18,768)

(USD 000's)	2025	2024
Beginning balance, line of credit	(20,847)	(16,189)
Net paid (drawn) on line of credit	(1,916)	(5,759)
Foreign exchange impact	1,313	1,101
ENDING BALANCE, LINE OF CREDIT	(21,450)	(20,847)

(USD 000's)	2025	2024
Beginning balance, equipment financing	(876)	(1,026)
Additions to equipment financing	(170)	(171)
Payments on equipment financing	333	262
Foreign exchange impact	(104)	59
ENDING BALANCE, EQUIPMENT FINANCING	(817)	(876)

20. LEASES

Asetek leases certain assets, principally office facilities and motor vehicles. Contracts are typically for fixed periods of five years or more for office facilities, five years for equipment, and two years or less for motor vehicles. The leased asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Operating expenses associated with leases of one year or less are not significant in 2025 and 2024.

In 2024, the Company moved its Aalborg, Denmark headquarters from a leased facility to a newly constructed facility owned by Asetek in Svenstrup, Denmark. The lease on the former office space in Aalborg expired in March 2025. The Company's office space in Taipei, Taiwan was renewed in 2025 and is under lease until August 2030.

Reconciliation of lease liability

(USD 000's)	2025	2024
Beginning balance	338	1,163
Additions to lease liabilities	792	152
Payments of lease liabilities	(321)	(709)
Adjustments/reductions to leases	(214)	(133)
Foreign exchange impact	106	(135)
ENDING BALANCE	701	338

Total cash payments for leases totaled \$333,000 and \$735,000 in 2025 and 2024, respectively.

Future minimum lease payments are as follows as of the balance sheet date:

Future minimum lease payments

(USD 000's)	2025	2024
Minimum lease payments at December 31	611	221
Asset residual at end of lease	130	147
Less: amount representing interest	(40)	(30)
TOTAL OBLIGATIONS UNDER LEASES	701	338
Obligations under leases due within one year	269	327
Obligations under leases due after one year	432	11
TOTAL OBLIGATIONS UNDER LEASES	701	338

Right-of-use Assets. The following table presents a summary of the Right-of-use assets under lease, which is a subset of the property, plant and equipment presented in Note 15:

(USD 000's)	Machinery	Autos and other	Properties	Total
COST:				
Balance at December 31, 2024	1,402	265	2,619	4,286
Additions		238	554	792
Disposals and transfers	(1,402)	(214)	(2,926)	(4,542)
Exchange rate differences		30	330	360
BALANCE AT DECEMBER 31, 2025	–	319	577	896
ACCUMULATED DEPRECIATION:				
Balance at December 31, 2024	(1,098)	(65)	(2,519)	(3,682)
Disposals and transfers	1,098	58	2,926	4,082
Depreciation for the year		(116)	(212)	(328)
Exchange rate differences		(10)	(205)	(215)
BALANCE AT DECEMBER 31, 2025	–	(133)	(10)	(143)
CARRYING AMOUNT AT DECEMBER 31, 2024	304	200	101	605
CARRYING AMOUNT AT DECEMBER 31, 2025	–	186	567	753

21. TRANSACTIONS WITH RELATED PARTIES

The Company's CEO serves as Chairman of the Board for a vendor that supplies information technology services to the Company. In 2025, the Company purchased services totaling \$0.8 million (\$0.9 million in 2024) from this vendor. At December 31, 2025 and 2024, the Company had outstanding payables to this vendor of \$68,000 and \$56,000, respectively.

In the past, the Company sponsored and occasionally purchased equipment and other services from Valdemar Eriksen Racing A/S ("VER"), an organization partially owned by the Company's CEO. In the years ended December 31, 2025 and 2024, the Company paid \$0 and \$14,500 to VER.

22. SUBSIDIARIES

The following entities are included in the consolidated accounts:

Company	Domicile	Stake	Voting Share	Activity
Asetek A/S	Denmark	100%	100%	Trading
Asetek Holdings, Inc.	USA	100%	100%	Inactive
Asetek USA, Inc.	USA	100%	100%	Trading
Asetek Danmark A/S	Denmark	100%	100%	Trading
Xiamen Asetek Computer Industry Co., Ltd.	China	100%	100%	Trading
JMH Gallows Pound Technologies Limited	UK	100%	100%	Inactive

23. AUDIT FEES

The Group's principal auditors perform the Group audit for all of Asetek's entities. The Xiamen, China subsidiary is also subject to a local audit performed by a local firm. The Group's principal auditors received a total fee of \$449,000 and \$415,000 in 2025 and 2024, respectively.

Fees for services other than statutory audits provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the group amount to \$103,000 (\$111,000 in 2024). Other assurance services in 2025 were non-audit services provided in connection with the Group's Financial Reporting for the period January 1 to September 30, 2025 related to the public tender offer dated 25 November 2025. Tax and other services in 2025 were primarily transfer pricing documentation and benchmarking, U.S. tax structure considerations, and other miscellaneous services. Other assurance services in 2024 were principally review and verification of filings associated with the Company's rights offering preparation in late 2024 and early 2025. Tax and other services provided in 2024 were transfer pricing documentation and benchmarking, U.S. tax structure considerations, and other miscellaneous services.

The fee is distributed between these services:

(USD 000's)	2025	2024
Audit	286	267
Other assurance services	59	51
Tax services	104	88
Other services	–	9
TOTAL	449	415

24. POST BALANCE SHEET EVENTS

The Company has evaluated the period after December 31, 2025 up through the date of the Management Statement and determined that there were no transactions that required recognition in the Company's financial statements, except for the following:

In April 2026, all outstanding shares of Asetek A/S will be purchased by CQXA Holdings Pte. Ltd., a controlled subsidiary of Suzhou Chunqiu Electronic Technology Co., LTD. ("Chunqiu") in an all-cash public takeover of the Company. As of the date of this report, Chunqiu has received the approvals required under the outbound direct investment (ODI) regime of the People's Republic of China, including with the Ministry of Commerce (MOFCOM), the National Development and Reform Commission (NDRC) and the State Administration of Foreign Exchange (SAFE), and thus this condition to the Offer has been satisfied. As a result, the transaction will close on April 21, 2026, per the terms described in Asetek's exchange release dated Novem-

ber 25, 2025. Chunqiu will pay DKK 1.72 per share in cash to shareholders for all outstanding shares, valuing Asetek at approximately DKK 547.4 million..

In conjunction with the acquisition, all of Asetek's outstanding options to purchase common shares become fully vested, resulting in accelerated share-based compensation associated with the Asetek Equity Incentive Program (Note 7) of USD 1.0 million. At December 31, 2025, this transaction was considered more likely to occur than not, and therefore the accelerated \$1.0 million expense for share-based compensation is recorded in the 2025 consolidated income statement in Special items, included in total operating expense.

In February 2026, the U.S. Supreme Court ruled that certain tariffs imposed in 2025 were unauthorized. While the Group expects to seek refunds for qualified duties paid as of December 31, 2025, no asset has been recognized due to remaining uncertainties regarding the recovery process.

25. CONTINGENT LIABILITIES

Debt collateral. In conjunction with the debt referenced in Note 19, Asetek's creditors have secured the following as collateral for the credit provided: The total loan amount of DKK 148.1 million (USD 23.3 million) at the Group level with Jyske Bank, representing DKK 128.1 million (USD 20.2 million) to Asetek A/S and DKK 20 million (USD 3.2 million) to Asetek Denmark A/S, is secured by the mortgage deed for the property located at Skjoldet 20, 9230 Svenstrup. The mortgage deed of DKK 140 million (USD 22.0 million) and a lien on the Asetek Denmark A/S business totaling DKK 105 million (USD 16.5 million) serves as collateral for the loan commitments in both Asetek A/S and Asetek Danmark A/S. Asetek A/S has executed a guarantee to Jyske Bank for all outstanding matters with Asetek Danmark A/S.

Legal proceedings. In the ordinary course of conducting business, the Company is involved in various intellectual property proceedings, including those in which it is a plaintiff that are complex in nature and have outcomes that are difficult to predict. Asetek records accruals for such contingencies to the extent that it is probable that a liability will be incurred, and the amount of the related loss can be reasonably estimated. The Company's assessment of each matter may change based on future unexpected events. An unexpected

adverse judgment in any pending litigation could cause a material impact on the Group's business operations, intellectual property, results of operations or financial position. In addition to the above, Asetek Group is engaged in various other ongoing cases. In the opinion of Management, neither settlement nor continuation of such proceedings are expected to have a material effect on Asetek's financial position, operating profit or cash flow.

The Company has challenged the Danish tax authorities in a matter related to the deductibility of expenses related to stock options granted to certain employees of a subsidiary. The maximum tax exposure for the Company is about \$0.1 million. A formal complaint has been initiated and further proceedings are pending.

PARENT COMPANY FINANCIAL STATEMENTS

Comprehensive income statement, parent company	52
Balance Sheet, parent company	53
Statement of changes in equity, parent company	54
Statement of cash flows, parent company	55
Notes, parent company	56



COMPREHENSIVE INCOME STATEMENT, PARENT COMPANY

(USD 000's)	Note	2025	2024
Service fees	14	2,509	2,646
Rental income	7	2,212	507
TOTAL REVENUE		4,721	3,153
Research and development	3, 4	(53)	(52)
Selling, general and administrative	3, 4	(4,788)	(4,065)
Special items	3	(1,794)	(13,791)
TOTAL OPERATING EXPENSES		(6,634)	(17,908)
OPERATING INCOME		(1,913)	(14,754)
Foreign exchange gain (loss)	6	154	947
Finance income	6	12	5
Finance costs	6	(1,354)	(1,414)
TOTAL FINANCIAL INCOME		(1,188)	(462)
INCOME BEFORE TAX		(3,101)	(15,216)
Income tax (expense) benefit	10	–	(763)
INCOME FOR THE YEAR		(3,101)	(15,979)
Other comprehensive income items:			
Foreign currency translation adjustments		5,330	–
TOTAL COMPREHENSIVE INCOME (LOSS)		2,229	(15,979)

BALANCE SHEET, PARENT COMPANY

(USD 000's)	Note	2025	2024
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	11	22,600	20,100
Property, plant and equipment	7	46,592	42,150
TOTAL NON-CURRENT ASSETS		69,192	62,250
CURRENT ASSETS			
Other assets		1,258	446
Receivables from subsidiaries	12, 14	637	–
Cash and cash equivalents		13	49
TOTAL CURRENT ASSETS		1,908	495
TOTAL ASSETS		71,100	62,745

(USD 000's)	Note	2025	2024
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	4,552	1,478
Retained earnings		48,980	43,264
Translation and other reserves		(5,876)	(11,206)
TOTAL EQUITY		47,656	33,536
NON-CURRENT LIABILITIES			
Payables to subsidiaries	12,14	–	8,634
Long-term debt	8, 9	18,790	17,998
TOTAL NON-CURRENT LIABILITIES		18,790	26,632
CURRENT LIABILITIES			
Short-term debt	8, 9	2,138	1,700
Payables to subsidiaries	12, 14	862	–
Accrued liabilities		462	437
Accrued compensation and employee benefits		298	299
Trade payables		894	141
TOTAL CURRENT LIABILITIES		4,654	2,577
TOTAL LIABILITIES		23,444	29,209
TOTAL EQUITY AND LIABILITIES		71,100	62,745

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY

(USD 000's)	Share capital	Share premium	Translation reserves	Treasury share reserves	Retained earnings	Total
EQUITY AT DECEMBER 31, 2023	444	–	–	(11,206)	58,961	49,233
Total comprehensive income for 2024						
Income for the year	–	–	–	–	(15,979)	(15,979)
Total comprehensive income for 2024	–	–	–	–	(15,979)	(15,979)
Transactions with owners in 2024						
Share-based payment expense	–	–	–	–	282	282
Transactions with owners in 2024	–	–	–	–	282	282
EQUITY AT DECEMBER 31, 2024	1,478	–	–	(11,206)	43,264	33,536
Total comprehensive income for 2025						
Income for the year	–	–	–	–	(3,101)	(3,101)
Foreign currency translation adjustments	–	–	5,330	–	–	5,330
Total comprehensive income for 2025	–	–	5,330	–	(3,101)	2,229
Transactions with owners in 2025						
Shares issued in rights offering, net of issuance costs	3,074	7,259	–	–	–	10,333
Transfer	–	(7,259)	–	–	7,259	–
Share-based payment expense	–	–	–	–	1,558	1,558
Transactions with owners in 2025	3,074	–	–	–	8,817	11,891
EQUITY AT DECEMBER 31, 2025	4,552	–	5,330	(11,206)	48,980	47,656

STATEMENT OF CASH FLOWS, PARENT COMPANY

(USD 000's)	Note	2025	2024	(USD 000's)	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				CASH FLOWS FROM FINANCING ACTIVITIES			
Income (loss) for the year		(3,101)	(15,979)	Lease payments on right-of-use assets	9	(121)	(63)
Depreciation and amortization	7	1,010	407	Borrowings (repayment) on line of credit	8	(1,188)	5,790
Impairment of property, plant and equipment	7	–	13,791	Proceeds from issuance of share capital	13	13,851	–
Share-based payments expense	4	1,558	282	Costs incurred for issuance of share capital	13	(2,207)	–
Finance cost incurred	6	1,354	2,396	Financing of equipment		–	76
Finance cost, cash paid	6	(1,348)	(2,389)	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		10,335	5,803
Income tax expense (income)	10	–	763	Effect of exchange rate changes on cash and cash equivalents		89	(1,019)
Cash received (paid) for income taxes	10	–	(1,287)	NET CHANGES IN CASH AND CASH EQUIVALENTS		(36)	(134)
Changes in other assets		(811)	553	Cash and cash equivalents at beginning of period		49	183
Changes in trade payables and accrued liabilities		719	(322)	CASH AND CASH EQUIVALENTS AT END OF PERIOD		13	49
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(619)	(1,786)	SUPPLEMENTAL DISCLOSURE - NON-CASH ITEMS			
CASH FLOWS FROM INVESTING ACTIVITIES				Assets acquired under leases		214	152
Purchase of property and equipment	7	(162)	(6,780)				
Net receipts from (payments to) subsidiaries	12	(9,679)	3,648				
NET CASH USED IN INVESTING ACTIVITIES		(9,841)	(3,132)				
FREE CASH FLOW		(10,460)	(4,918)				

NOTES, PARENT COMPANY

1. GENERAL INFORMATION

Regarding accounting policies, refer to Note 2 to the Consolidated Financial Statements. For discussion of financial risks, refer to Note 3 to the Consolidated Financial Statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 2025 financial statements for Asetek A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB and adopted by the EU.

The financial statements are presented in U.S. Dollars (USD), which is the presentation currency. On January 1, 2025, as a result of new revenue streams being generated in Danish krone (DKK) currency, the Company changed the functional currency of the Parent Company from USD to DKK.

The accounting policies for the Parent Company are the same as for the Asetek Group, as per Note 2 to the consolidated financial statements, with the exception of the items listed below:

- 1.1. *Dividends on investments in subsidiaries, joint ventures and associates.* Dividends on investments in subsidiaries, joint ventures and associates are recognized as income in the income statement of the Parent Company in the financial year in which the dividend is declared.
- 1.2. *Investments in subsidiaries, joint ventures and associates.* Investments in subsidiaries, joint ventures and associates are measured at the lower of cost or the recoverable amount. An impairment test on the investment is performed if the carrying amount of the subsidiaries' net assets is below the carrying value of the Parent Company's investments in the consolidated financial statements.

3. TOTAL OPERATING EXPENSES

Operating expenses consisted of the following for the year ended December 31

(USD 000's)	2025	2024
Personnel expenses (Note 4)	2,529	2,124
Legal, consultants and auditor	907	769
Special items	1,794	13,791
Other expenses	1,404	1,224
TOTAL EXPENSES	6,634	17,908

Special items. In 2025, the Company incurred expenses of \$0.8 million for legal and advisory services and \$1.0 million of accelerated share based compensation relating to an outside party's planned acquisition of Asetek, as described in Note 1.1 in the consolidated financial statements. These expenses are included in special items in the 2025 income statement. In 2024, the Company recorded a non-cash impairment charge of \$13.8 million as a consequence of an assessed impairment within the cash generating units. This one-time charge was classified as a special item in operating expense on the income statement and was recorded as impairment of the Company's headquarters facility in property, plant and equipment. Refer to Note 2.22 in the consolidated financial statements.

4. PERSONNEL EXPENSES

Total personnel costs by type for the year ended December 31

(USD 000's)	2025	2024
Salaries, pension and other	1,935	1,842
Share-based payment	594	282
TOTAL PERSONNEL EXPENSES	2,529	2,124

Total personnel costs by classification in the income statement for the year ended December 31

(USD 000's)	2025	2024
Research and development	48	52
Selling, general and administrative	2,481	2,072
TOTAL EXPENSES	2,529	2,124

The average number of employees in the Parent company is two for both years presented. The figures listed above include a portion of the executive management's cash compensation based on an estimate of the actual resources allocated to the management of the Parent company. The figures include incentive-based compensation in the form of share options and warrants granted to employees in the Asetek Group. Refer to Notes 6 and 7 in the Consolidated Financial Statements for information regarding incentive compensation programs and management remuneration.

Remuneration of the Group Board of Directors is specified in Note 6 to the Consolidated Financial Statements. The Company's share-based incentive pay program is described in Note 7 to the Consolidated Financial Statements.

5. AUDIT FEES

Fees associated with the Parent company financial statements for services provided by the Company's principal auditors were as follows:

(USD 000's)	2025	2024
Audit	230	189
Other assurance services	59	51
Tax services	104	88
Other services	–	7
TOTAL	393	335

Services other than statutory audit are described in Note 23 in the consolidated financial statements.

6. FINANCIAL INCOME AND COSTS

(USD 000's)	2025	2024
FOREIGN EXCHANGE GAIN (LOSS)	154	947
Interest income on loans to subsidiaries	9	–
Interest from bank accounts	3	5
FINANCE INCOME	12	5
Interest cost on loans from subsidiaries	(323)	(1,027)
Interest cost on line of credit	(936)	(1,237)
Interest cost on leases and equipment financing	(13)	(7)
Other banking and finance fees	(82)	(126)
Subtotal	(1,354)	(2,396)
Less: amount capitalized	–	982
FINANCE COST	(1,354)	(1,414)

7. PROPERTY, PLANT AND EQUIPMENT

In September 2024, the Company completed construction of its headquarters building and occupied it. The Company is leasing sections of the building that are not occupied by Asetek and plans to continue to do so for three to five years and to subsequently occupy the entire facility thereafter. The sections leased are contiguous with the premises occupied by Asetek and cannot be feasibly separated. As a result, the asset is accounted for as a domicile property, recorded at cost and depreciated over its estimated useful life of 50 years. In 2024, the Company recorded an impairment charge of \$13.8 million as a consequence of an assessed impairment within the cash generating units. Refer to Note 2.22 in the consolidated financial statements.

As of December 31, 2025 and 2024, carrying value of vehicles under right-of-use leases totaled \$173,000 and \$181,000, respectively, and their associated leases are for terms of 12 months. Total property, plant and equipment is specified as follows:

Company	Vehicles and software	Land and Building	Building under construction	Total
COST:				
Balance at January 1, 2024	555	2,493	46,620	49,668
Additions	854	–	6,078	6,932
Transfer	–	52,698	(52,698)	–
Disposals	(223)	–	–	(223)
BALANCE AT DECEMBER 31, 2024	1,186	55,191	–	56,377
Balance at January 1, 2025	1,186	55,191	–	56,377
Additions	375	25	–	400
Disposals	(214)	–	–	(214)
Exchange rate differences	150	6,867	–	7,017
BALANCE AT DECEMBER 31, 2025	1,497	62,083	–	63,580
ACCUMULATED DEPRECIATION:				
Balance at January 1, 2024	(119)	–	–	(119)
Impairment	–	(13,791)	–	(13,791)
Disposals	90	–	–	90
Depreciation for the year	(163)	(244)	–	(407)
BALANCE AT DECEMBER 31, 2024	(192)	(14,035)	–	(14,227)
Balance at January 1, 2025	(192)	(14,035)	–	(14,227)
Disposals	58	–	–	58
Depreciation for the year	(351)	(659)	–	(1,010)
Exchange rate differences	(36)	(1,773)	–	(1,808)
BALANCE AT DECEMBER 31, 2025	(521)	(16,467)	–	(16,987)
CARRYING AMOUNT AT DECEMBER 31, 2024	994	41,156	–	42,150
CARRYING AMOUNT AT DECEMBER 31, 2025	976	45,616	–	46,592

8. NET DEBT

Asetek A/S has a long-term line of credit with Jyske Bank for DKK 128.1 million (USD 20.2 million) at December 31, 2025, of which USD 20.2 million was utilized at December 31, 2025. This line is secured by the Group's land and building and other security arrangements and carries interest at Danish CIBOR 3 rate plus 2.45 percentage points which in total was 4.45% at December 31, 2025. The line specifies quarterly payments of DKK 2.35 million (USD 0.37 million) and matures on March 31, 2028.

In addition, Asetek A/S had an overdraft position of DKK 3.2 million (USD 0.5 million) utilized at December 31, 2025.

Net debt is as follows at December 31:

(USD 000's)	2025	2024
Line of credit- amounts due within one year	(1,976)	(1,537)
Leases- amounts due within one year	(147)	(151)
Equipment financing -amounts due within one year	(15)	(12)
DEBT INCLUDED IN CURRENT LIABILITIES	(2,138)	(1,700)
Line of credit - amounts due after one year	(18,685)	(17,934)
Equipment financing - amounts due after one year	(57)	(64)
Other long-term liability	(48)	–
TOTAL DEBT	(20,928)	(19,698)
Cash and cash equivalents	13	49
NET DEBT	(20,914)	(19,649)

Reconciliation of line of credit

(USD 000's)	2025	2024
Beginning balance	(19,471)	(14,700)
Net paid (drawn) on line of credit	1,188	(5,790)
Foreign exchange impact	(2,378)	1,018
ENDING BALANCE, LINE OF CREDIT	(20,661)	(19,471)

9. LEASES

Obligations under leases are as follows:

(USD 000's)	2025	2024
Minimum lease payments as of December 31	3	5
Asset residual value at end of lease	144	147
Less: amount representing interest	–	(1)
TOTAL OBLIGATIONS UNDER LEASES	147	151

Total lease obligations due within one year were \$147,000 and \$151,000 at December 31, 2025 and 2024, respectively. Operating expenses associated with leases of one year or less are not significant.

10. INCOME TAX

At December 31, 2025 and 2024, the tax benefit (provision) for Asetek A/S differed from the statutory tax rate principally as a result of share compensation and impairment expenses that are treated differently for tax purposes.

(USD 000's)	2025	2024
INCOME BEFORE TAX	(3,101)	(15,216)
Tax calculated at domestic rates applicable to profits/losses in respective countries	682	3,348
Differences between book and tax	(682)	(4,111)
INCOME TAX (EXPENSE)	–	(763)

11. INVESTMENT IN SUBSIDIARIES

(USD 000's)	Investment in Asetek Holdings, Inc.
Balance at December 31, 2024	20,100
Additions	–
Exchange rate differences	2,500
Balance at December 31, 2024	22,600
CARRYING AMOUNT AT DECEMBER 31, 2024	20,100
CARRYING AMOUNT AT DECEMBER 31, 2025	22,600

Asetek A/S acquired 100% of Asetek Holdings, Inc. through the exchange of shares in February 2013. At the time of acquisition, Asetek Holdings, Inc. had negative net equity, resulting in the initial investment to be valued at zero. Asetek Holdings, Inc. represents Asetek A/S's only direct investment in subsidiaries.

12. NET RECEIVABLES FROM (PAYABLES TO) SUBSIDIARIES

Net receivables is as follows at December 31:

(USD 000's)	2025	2024
Asetek Danmark A/S	474	(7,220)
Asetek USA, Inc.	(862)	(1,541)
Asetek Xiamen	55	31
Asetek Holdings, Inc.	108	96
NET DUE FROM (TO) SUBSIDIARIES	(225)	(8,634)
AVERAGE EFFECTIVE INTEREST RATE	9.4%	10.2%

13. EQUITY

Refer to Note 18 to the Consolidated Financial Statements.

14. TRANSACTIONS WITH RELATED PARTIES

Asetek A/S charges its subsidiaries a management service fee. In addition, Asetek A/S owns the headquarters facility and leases office space to its subsidiary, Asetek Danmark A/S, under a contract on market terms. Utilities and other building-related operating costs are recharged at cost based on allocation principles reflecting the use of the premises (a portion of the building is leased to a third-party tenant, and the remaining share of the utilities is borne by Asetek Danmark A/S, which is the only intercompany tenant).

Interest is charged on intercompany balances. In 2025, the interest rate was based on historical prime rates (7.0%–7.5%) plus an additional 2.0% margin.

Income/(expense) recognized in the parent company income statement is as follows:

(USD 000's)	2025	2024
Management fees	2,554	2,646
Building rent	1,762	402
Utilities and building cost recharges	210	64
Interest income	9	–
Interest expense	(337)	(1,027)
Total	4,198	2,085

Reference Notes 6 and 12 regarding transactions with subsidiaries.

15. EVENTS AFTER THE REPORTING PERIOD

Refer to Note 24 to the consolidated financial statements.

16. CONTINGENT LIABILITIES

The Danish group enterprises are jointly and severally liable for tax on group income subject to joint taxation, as well as for Danish withholding taxes by way of dividend tax, royalty tax, tax on unearned income and any subsequent adjustments to these. Asetek A/S has executed a guarantee to its Group's principal bank, Jyske Bank, for all outstanding matters with its wholly owned subsidiary, Asetek Danmark A/S. Refer to Note 25 to the Consolidated Financial Statements.



MANAGEMENT STATEMENT

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Asetek A/S for the financial year 1 January – 31 December 2025.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2025 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2024.

In our opinion, Management's Review includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

In our opinion, the annual report of Asetek A/S for the financial year 1 January to 31 December 2025 with the file name Asetek-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, Denmark
April 8, 2026

Executive Board



André S. Eriksen
CEO



Peter Dam Madsen
CFO

Board of Directors



Søren Klarskov Vilby
Chairman



Jakob Alsted Have
Vice chairman



Dennis Nymann
Member



Lars Kristensen
Member



Lasse Dannulat
Member

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of Asetek A/S

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2025 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Asetek A/S for the financial year 1 January to 31 December 2025 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Asetek A/S on 24 April 2014 for the financial year 2014. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 12 years including the financial year 2025. We were reappointed following a tendering process at the General Meeting on 30 April 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Capitalization of development costs

The Group capitalizes development costs when certain criteria according to IFRS are met. The criteria for recognition and measurement of development costs are subject to Management's judgment and assumptions, which is uncertain by nature.

Completed development projects are assessed for impairment indications. For in-progress development projects impairment tests are performed at least annually. The impairment tests are based on the strategy plan approved by Management and value-in-use calculations based on expected future cash flows.

We focused on this area because the criteria for recognition and measurement of development projects are subject to Management judgments and assumptions.

Refer to note 14 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

We assessed whether the Group's accounting policies are in accordance with IFRS Accounting Standards.

We carried out risk assessment procedures in order to obtain an understanding of IT systems and business processes regarding capitalized development costs.

We selected a sample of completed and in-progress development projects and considered whether all criteria described in IFRS Accounting Standards were met as basis for capitalization.

We evaluated and challenged Management's assessment of impairment indicators of completed development projects based on the commercial prospects of the projects. For in-progress development projects, we challenged the key assumptions applied in the value-in-use calculations. Our work was based on our understanding of the business cases and significant assumptions applied. We challenged whether the intent to finalize the projects remain and whether the projects are expected to generate future economic benefits exceeding the carrying values.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Asetek A/S for the financial year 1 January to 31 December 2025 with the filename Asetek-2025-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Asetek A/S for the financial year 1 January to 31 December 2025 with the file name Asetek-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Aalborg, 8 April 2026

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31



Mads Melgaard
State Authorised Public Accountant
mne34354



Line Borregaard
State Authorised Public Accountant
mne34353

DEFINITIONS OF RATIOS AND METRICS

Asetek uses various metrics, financial and non-financial ratios which provide shareholders with useful information about the Group's financial position, performance and development.

PROFIT & LOSS

Adjusted EBITDA	Operating income + amortization & depreciation + share-based compensation + special items
Gross margin	Gross profit / Revenue
Operating margin	Operating income / Revenue
Return on Invested Capital (ROIC)	Income for the year / Invested capital
Organic growth	(Revenue current year – Comparable revenue* prior year) / Comparable revenue* prior year

BALANCE SHEET

Invested capital	Equity raised from sale of shares and conversion of debt + interest bearing debt
Quick ratio	(Cash and cash equivalents + Trade receivables and other) / Total Current Liabilities
Current ratio	Total current assets / Total current liabilities
Days sales outstanding	Trade receivables / (Revenue / 365 days)
Inventory turns per year	Cost of sales / (beginning inventory + ending inventory / 2)
Days payable outstanding	Trade payables / (Cost of sales / 365 days)
Debt to equity	Interest-bearing debt / Total equity

STOCK MARKET

Earnings per share, basic	Refer to Note 12 of the Consolidated financial statements
Earnings per share, diluted	Refer to Note 12 of the Consolidated financial statements
Share price to earnings	Share price / DKK to USD exchange rate / Earnings per share, diluted. If earnings is negative, not reported.
Market capitalization	(Shares issued – Treasury shares) x (Share price in DKK / DKK to USD exchange rate)

BUSINESS DRIVERS

Average selling price per unit, Liquid Cooling	Liquid cooling revenue / Sealed loop units shipped
Revenue per employee	Revenue / Number of employees

* Comparable revenue excludes changes in revenue attributable to foreign exchange rates and any acquisitions or divestments.