



Asetek – Q2 2023: Continued Liquid Cooling Market Improvement Drives Revenue Growth

- Q2 revenue of \$24.5 million, reflecting growth of 45% over Q2 2022 and among top three quarters ever
- Gross margin of 45%, up from 42% in Q2 2022
- Q2 EBITDA adjusted of \$6.2 million, compared with \$1.3 million in Q2 2022
- SimSports revenue of \$2.4 million in Q2, compared with \$1.0 million in Q2 2022
- First-half 2023 revenue increased 28% to \$39.3 million, and EBITDA adjusted rose to \$8.9 million from \$0.4 million in first-half 2022
- Successful listing on Nasdaq Copenhagen on 17 May after completing rights issue raising net proceeds of \$16.1 million
- Full year guidance was updated on August 2 to an expected increase in Group revenue for 2023 in the range of 40% to 45% compared with 2022, and a projected operating income of about \$7 to \$9 million

Asetek reported second-quarter revenue of \$24.5 million, an increase of 45% from the same period of 2022, and among the top three quarters ever for the Company. First-half 2023 revenue was \$39.3 million, an increase of 28% from first half 2022. The growth in both periods mainly reflects increased shipments of liquid cooling products.

Gross margin was 45% for both the second quarter and first half of 2023 compared with 42% and 41% in the same periods of 2022. The changes from prior year periods reflect a richer product mix, reduced costs, and favorable exchange rates.

"We have seen continued improvement in the liquid cooling market with execution of product launch plans and high order activity driving revenue growth. Combined with the extensive cost reductions implemented in 2022, this yielded a record Liquid cooling EBITDA in the second quarter. We also continue to receive positive feedback from the SimRacing community and end-users as we expand our product family and strengthen our brand and positioning within this attractive growth market," said André Sloth Eriksen the CEO of Asetek.

Operating income was \$4.1 million and adjusted EBITDA was \$6.2 million in the second quarter of 2023, compared with operating income of \$0.1 million and adjusted EBITDA of \$1.3 million in the second quarter of 2022. First-half 2023 operating income was \$5.2 million and adjusted EBITDA was \$8.9 million, compared with operating loss of \$1.8 million and adjusted EBITDA of \$0.4 million in the same period of 2022. Adjusted EBITDA in the second quarter and first half of 2023 includes \$0.8 million of non-recurring charges related to the dual listing of shares on Nasdaq Copenhagen.

On May 17, the Company issued 71.2 million new common shares of stock in a rights offering, raising net proceeds of \$16.1 million.

At June 30, 2023, Asetek had working capital of \$16.7 million, of which \$7.1 million was cash and cash equivalents. Long-term debt totaled \$18.6 million. During the first half of 2023, the

Company invested \$16.0 million in property and equipment, including development of a new headquarters and R&D facility, and \$1.8 million in capitalized costs for the development of new products. The Company paid down its construction credit line by net \$1.9 million in the first half and extended its maturity date to December 31, 2024.

During the quarter, the Company announced that three different OEM partners are offering new all-in-one liquid coolers featuring Asetek's liquid cooling technology: TEAMGROUP introduced its T-FORCE SIREN GA360 CPU cooler, NZXT announced its highest performing Kraken and Kraken Elite CPU coolers, and ASUS introduced its third generation of ROG RYUJIN all-in-one CPU coolers.

In the SimSports segment, Asetek announced the Invicta Quick Release Adapter Kit that allows sim racers to easily mount their existing steering wheels to Asetek SimSports Direct Drive Wheelbases. The Company also announced that Micro Center will sell a broad offering of SimSports sim racing products in its physical stores across the U.S., as well as through its online store. In addition, Asetek announced a custom sim racing product bundle co-branded with racing driver Tony Kanaan, and a partnership with Racing Prodigy, creator of the Prodigy Racing League.

On August 2, due to increased demand for liquid cooling products, the Company raised its revenue and operating profit expectations for 2023. This was the second adjustment to guidance since financial figures for the first quarter were presented in May.

Asetek expects revenue to increase 40% to 45% from 2022, from the previous expectation of an increase in revenue of 25% to 35% year-over-year communicated June 7. Management expects the Company to report operating income of between \$7 and \$9 million in 2023, up from the previous range of \$5 and \$7 million.

Conference call and webcast

CEO André Sloth Eriksen and CFO Peter Dam Madsen will present the Company's results today at 14:00 CEST and invites investors, analysts and media to join the presentation. The presentation is expected to last up to one hour, including Q&A, and can be followed via live webcast or conference call.

Webcast – audio and slide presentation:

Please join the results webcast via the following link:
<http://events.q4inc.com/attendee/155806683>

Conference call – audio only:

Please dial in 5-10 minutes prior using the phone numbers:

Denmark	+45 3274 0710
Norway	+47 5798 9430
Germany	+49 69 5899 64 217
United Kingdom	+44 (0) 203 481 42 47
United States of America	+1 646 307 1963

Access code: 1130967

Material:

The second quarter and first half 2023 earnings release, report and presentation will be made available online at www.asetek.com and www.newsweb.no, as well as through news agencies. A recorded version of the presentation will be made available at www.asetek.com

approximately two hours after the presentation has concluded.

Q&A:

The conference call lines will be opened for participants to ask question at the end of the presentation. Questions can also be submitted through the online webcast during the presentation.

For questions or further information, please contact:

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CFO Peter Dam Madsen, +45 2080 7200, email: investor.relations@asetek.com

About Asetek:

Asetek (ASTK), a global leader in mechatronic innovation, is a Danish garage-to-stock-exchange success story. Founded in 2000, Asetek established its innovative position as the leading OEM developer and producer of the all-in-one liquid cooler for all major PC & Enthusiast gaming brands. In 2013, Asetek went public while expanding into energy-efficient and environmentally friendly cooling solutions for data centers. 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, Taiwan and the United States.

www.asetek.com

This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.