



## Asetek – Q4 2024: Strong ending to a turnaround year

- Q4 revenue of \$15.4 million, compared with \$16.6 million in Q4 2023
- Q4 gross margin of 42%, compared with 47% in Q4 2023
- Q4 adjusted EBITDA of \$0.6 million compared with \$2.2 million in Q4 2023
- Q4 SimSports revenue grew 86% to a record \$4.2 million with the launch of the high-performance Invicta Steering Wheel and execution of new distribution agreements
- Q4 liquid cooling revenue of \$11.1 million (\$14.4 in Q4 2023) the highest quarter of the year
- Full year revenue of \$52.5 million, gross margin of 42%, and adjusted EBITDA of \$0.3 million, compared with \$76.3 million, 45% and \$15.9 million in 2023, respectively
- Completed rights issue in January 2025 raising \$10.5 million net proceeds to strengthen financial position and enable continued investment in SimSports
- Full year 2025 group revenue expected in the range of \$52 to \$58 million with an expected adjusted EBITDA projected to be of 3% to 5% of revenue

Asetek reported fourth-quarter revenue of \$15.4 million compared with \$16.6 million in the same period of 2024. Revenue for the year amounted to \$52.5 million compared with \$76.3 million in 2023. The change in both periods reflect fewer shipments of liquid cooling products, partly offset by an increase in shipments of SimSports products.

Gross margin was 42% for both the fourth quarter and full year 2024, compared with 47% and 45% in the respective periods of 2023. The changes in gross margin reflect a change in product mix and price sensitivity in the gaming hardware market as consumer preferences recently have shifted toward lower-priced liquid cooling solutions.

“The year ended with strong SimSports growth in line with expectations, driven by new products and distribution agreements. The Liquid Cooling business stabilized as the impact of two major OEMs moving to dual sourcing was offset by increased demand from all our other customers. We strengthened our financial platform with a clear focus on growing the SimSports business supported by new products for a larger community of sim racers in the mass- and console markets. Asetek is also preparing for renewed growth for our profitable Liquid Cooling business from 2026 with an expanded offering to meet demand from more price conscious buyers,” says André S. Eriksen, the CEO of Asetek.

Adjusted EBITDA was \$0.6 million in the fourth quarter of 2024, compared with \$2.2 million in the same period of 2023. Adjusted EBITDA in 2024 was \$0.3 million compared with \$15.9 million in 2023.

Excluding special items, total operating expenses increased 11% in the quarter and 12% for the full year from the respective periods of 2023, mainly due to investments in SimSports related to the launch of key products and expansion of distribution channels. As a result of Asetek’s continuing efforts toward rightsizing the organization, total personnel costs decreased 6% in the fourth quarter compared with the same period of 2023.

In December 2024, to strengthen the Company's financial position and continue its investments in the SimSports segment, Asetek launched an equity rights offering. The offering closed on January 6, 2025, with net proceeds generated of \$10.5 million through the issuance of 219.9 million new common shares of stock.

In 2024, the Company invested \$7.8 million in property and equipment, including construction of its new headquarters facility which was completed in the third quarter and is now in use by the Company. The Company drew \$5.8 million on credit lines during the year and renegotiated the terms of its bank financing in the fourth quarter to update covenants and extend the facilities to March 2028. Asetek invested \$2.3 million in capitalized costs for the development of new products in 2024.

At December 31, 2024, total assets were \$79.4 million (\$102.7 million at December 31, 2023) and total equity was \$41.1 million (\$66.1 million). Total assets and equity decreased in 2024 partly due to a non-cash impairment charge of \$18 million recorded against non-current assets in the third quarter. Working capital at December 31 was \$4.4 million (negative \$3.2 million at December 31, 2023) including \$3.3 million of cash and cash equivalents (\$9.1 million).

## OPERATIONS

In the fourth quarter, the Company shipped 204 thousand sealed loop coolers compared with 244 thousand in the fourth quarter of 2023. Nine new SimSports products and fourteen new liquid cooling products began shipping in the quarter. In the first quarter of 2025, seven new liquid cooling products are expected to begin shipping, as well as seven new SimSports products.

In October 2024, the Company launched the high-performance Invicta Steering Wheel, Asetek's most advanced wheel to date, delivering an immersive, realistic experience for sim-racers.

Also in October, Asetek took several steps to expand its SimSports distribution. The Company signed a Designed for Xbox partner agreement to offer new and selected existing products available for millions of gamers worldwide on Xbox Series X|S and Xbox One. Asetek signed a partner agreement with Podium 1 in the US and entered a distribution agreement simulator gaming specialist Pagnian Imports Pty for the Australian and New Zealand markets.

## EXPECTATIONS FOR 2025

Recently there has been a shift in the liquid cooling market toward more affordable gaming PC's, which in turn increases the demand for cheaper liquid cooling options. This shift has impeded revenue in the Liquid Cooling segment, as Asetek has historically focused on the premium market. In 2025, the Company is expanding its product range to include products for the mid-range market, aiming to capture a broader consumer base in an increasingly competitive environment.

As a result of these market dynamics, the Company expects revenue for 2025 at the Group level to be in the range of \$52-58 million, with an adjusted EBITDA margin of 3–5%. The Group revenue outlook is derived from expected revenue in the Liquid Cooling segment in the range of \$40 to \$43 million, and in the SimSports segment \$12 to \$15 million. For the full fiscal year 2025, the Liquid Cooling segment is expected to achieve a gross margin in the range of 40-45%, while the SimSports segment is expected to reach a gross margin of 30–35%. 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.

## CONFERENCE CALL AND WEBCAST

CEO André Sloth Eriksen and CFO Peter Dam Madsen will present the Company's results today at 09:45 CET and invite 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:**

All participants wishing to join the webcast are required to pre-register using the following link:

<http://events.q4inc.com/attendee/552139202>

Registration must be completed before the event starts.

Q&A: questions can be submitted through the online webcast during the presentation.

The 2024 annual report and fourth quarter earnings release and presentation will be made available online at [www.asetek.com](http://www.asetek.com), as well as through news agencies. A recorded version of the presentation will be made available at [www.asetek.com](http://www.asetek.com) shortly after the presentation has concluded.

**For questions or further information, please contact:**

Per Anders Nyman, Head of Investor Relations

+45 2566 6869

[investor.relations@asetek.com](mailto:investor.relations@asetek.com)

**About Asetek**

Asetek (ASTK), 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.