



Q1 2023

22 May 2023

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Q1 Highlights

- First-quarter revenue of \$14.8 million, up 6% from \$13.9 million in Q1 2022
- Gross margin increased to 44%, compared with 38% in Q1 2022
- Q1 EBITDA adjusted of \$2.8 million compared with EBITDA loss of \$0.9 million in Q1 2022
- SimSports revenue of \$1.3 million in the quarter, reflecting shipments of eight new products
- 23 new liquid coolers began shipping in Q1
- Quarterly OPEX reduced 25% YoY due to organizational rightsizing and reduced IP litigation efforts
- Successful listing on Nasdaq Copenhagen on 17 May after completing rights issue raising gross proceeds of \$20 million
- Full-year 2023 outlook maintained – revenue growth expected in the range of 5% to 15% compared with 2022, with operating income projected between \$2 to \$4 million

Increased activity amid continued market challenges



2023 developments

- Good interest and positive feedback for Liquid cooling and SimSports products
- Signs of liquid cooling market improving with increased order activity and re-instatement and execution of product launch plans
- Recent forecasts indicates that inventory situation is normalizing for some liquid cooling OEM customers
- Executing SimSports product roll-out plan
- Shipments of new sim racing products well underway against order backlog established during Q4/Q1

Company actions

- Continued product development and launch of new/more products
- Focus on efficiencies, supply chain capacity and capabilities
- Strengthened balance sheet with rights issue completed in May
- Start of shipments from Malaysia in Q2 2023 in cooperation with existing contract manufacturers

Market backdrop

- War in Ukraine, supply chain issues, inflation and interest rates
- Reduced discretionary consumer spending affecting end-user demand liquid cooling and SimSports products
- Limited visibility with high volatility in OEM forecasts

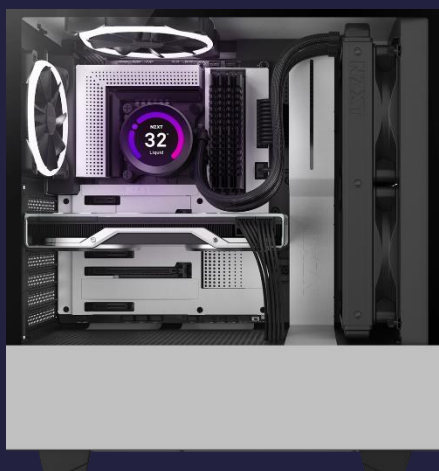
Listed on Nasdaq Copenhagen following completion of rights issue

- Asetek shares admitted to trading on May 17
- Following execution of fully underwritten rights issue raising NOK 214 million (~\$20 million) in gross proceeds
 - Strengthening the balance sheet and liquidity position
 - ~71.17 million new shares issued
 - Subscriptions received for 99.3% of new shares offered
- Third company to join the Danish main list to date in 2023
 - Initially trading in the form of share entitlements due to the dual listing
 - Shareholders wishing to trade their shares on Nasdaq Copenhagen must transfer their shares to the Danish registry
- Delisting process from Euronext Oslo Børs initiated
- The Company encourages shareholders to move shares from Oslo to Copenhagen. FAQ available at ir.asetek.com



Leading offering for gamers and enthusiasts

Liquid cooling¹



Enthusiasts and do-it-yourself (DIY)

Liquid cooling for Competitive and committed gamers and enthusiasts



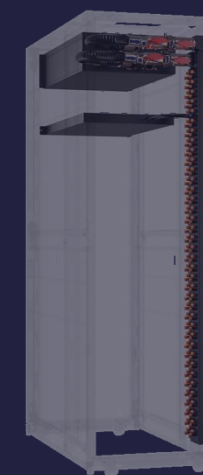
Gaming/Performance PCs

SimSports



Immersive equipment for gamers, racing and automobile enthusiasts

Data center



Liquid cooling for enterprises

Current focus

Future option

Global platform with integrated value chain supports long-term growth



Strategic position: Large and long-term growing markets | Supplying global brands | Market-leading solutions

IP platform: Applications | Technology | Systems | Products | Patents | High-volume manufacturing | World-wide hub infrastructure

10 million units shipped | ~127 employees | FY'22 revenue of USD 51 million | Listed on Oslo Stock Exchange

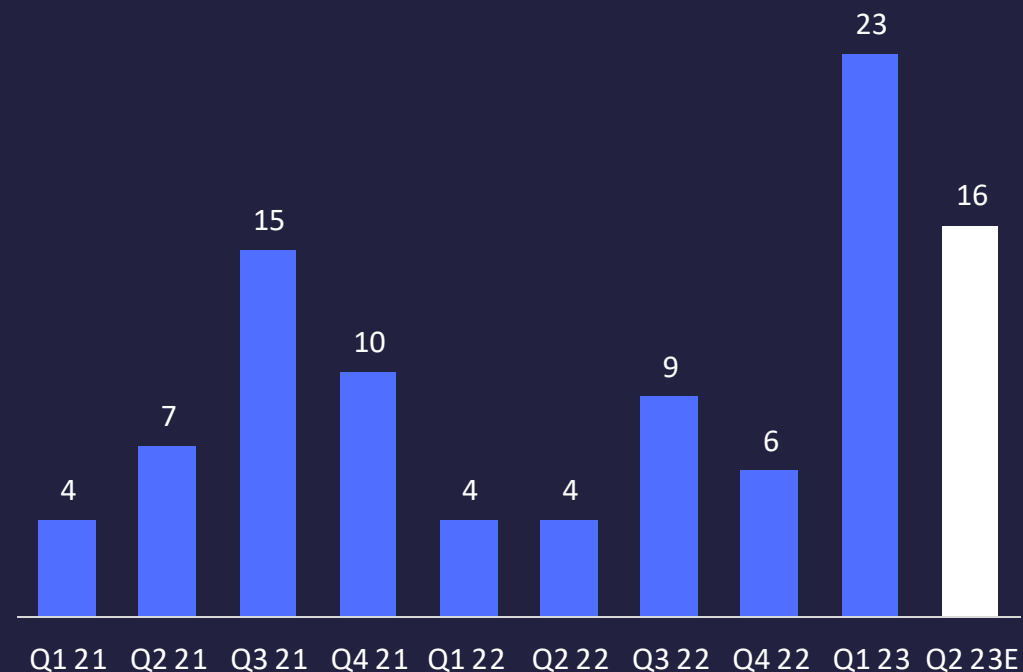


Liquid cooling

Increased product release activity into 2023

- 23 new liquid cooling products started shipping in Q1 2023
 - Four featuring Asetek’s 8th generation liquid coolers with the most advanced technology developed to date
 - Improved cooling, less power consumption and quieter operation
- 16 new products estimated to start shipping in Q2 2023
 - Including a new range of products designed to service demand for regional OEM, also known as System Integrators (SIs), and the first SKUs for a new customer
- Investing in product development and branding to expand reach with key customers based on the core tenants of performance, quality and reliability

No. of liquid cooling products started shipping



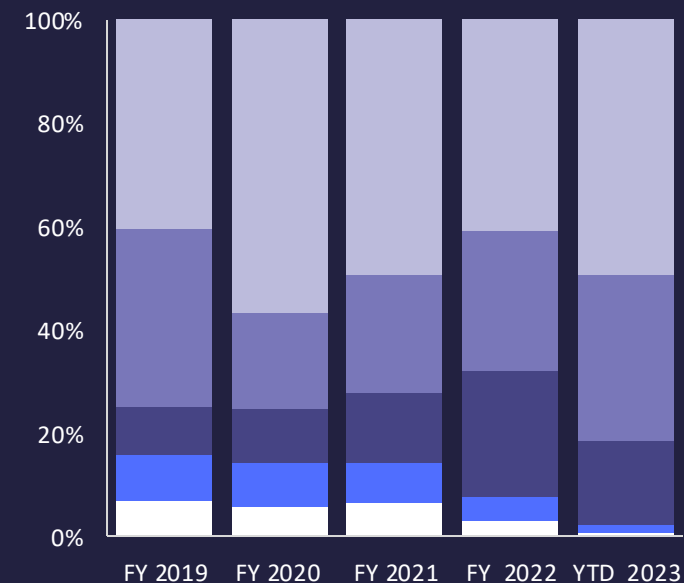
Wide Liquid cooling OEM base

- Currently shipping to over 20 OEMs
- Top five represented 92% of Liquid Cooling revenue YTD 2023, vs. 85% in FY 2022
- Ambition to increase diversification over time
- One new significant customer to launch initial products in Q3 2023

Top 5 liquid cooling customers¹



Top 5 customers revenue split ²⁾



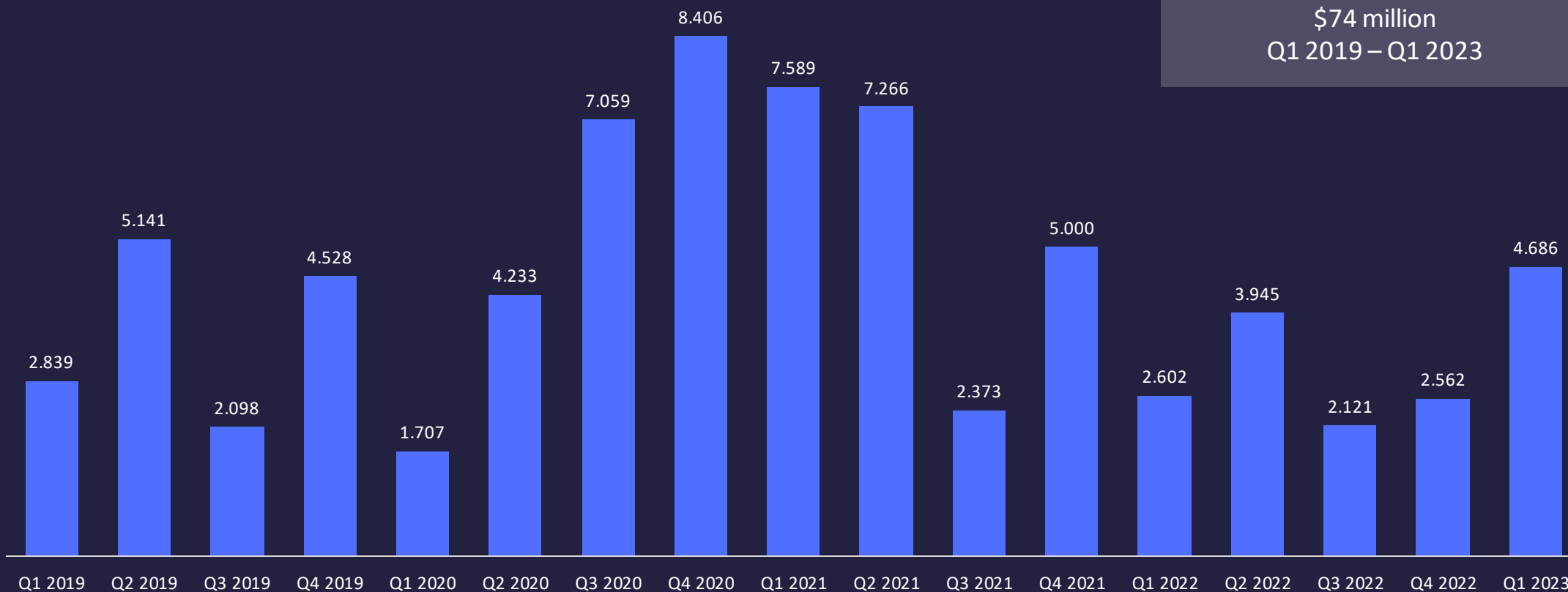
1) Sorted alphabetically FY 2022

2) Colors reflect ranking. The composition and relative revenue share of Asetek's top 5 customers will vary between periods

Robust cash generating liquid cooling business

EBITDA - Liquid cooling for gamers and enthusiasts

USD thousands



Liquid cooling strategic development

Goal	Strategy	Development and outlook
<p>Further develop leadership in the gaming and enthusiast liquid cooling market</p>	<ul style="list-style-type: none">• R&D and product development• Growing existing customers• Widening OEM customer base• Branding and marketing	<ul style="list-style-type: none">• Focus on delivery of core liquid cooling solutions• Ramp-up of development to bring meaningful innovations to market• Develop and ship products with market leading performance, quality and reliability• Currently over 20 OEM customers• Focus on reducing single-customer dependency• Co-branding agreements in place with several OEMs• Connecting directly with gamers and enthusiasts via social media and online communities, such as Discord

SimSports



Expanding sim racing product program

- Eight new products started shipping in Q1 2023
 - Forte Formula wheel
 - Invicta™ and Forte™ direct drive wheelbases
 - Invicta™ and Forte™ S-series pedals
 - La Prima wheel, wheelbase and pedal-set bundle
 - La Prima wheel and wheelbase bundle
 - La Prima pedals
- Three new products set to start shipping in Q2 2023
 - Industry-first third-party steering-wheel quick release
 - Co-branded products with internationally recognized racing driver
 - Design win with a major US retailer
- Q1 2023 revenue of \$1.3 million
 - Current backlog in excess of \$1 million
 - Gross margins reflect early stage of scale up



SimSports strategic development

Goal	Strategy	Development and Outlook
<p>Becoming a next-level immersive gaming experiences provider</p>	<ul style="list-style-type: none">• Leverage core mechatronics capabilities and global supply chain• Develop product offering based on acquired IP and technology• Establish a thriving growth segment in a fragmented market	<ul style="list-style-type: none">• Initial product development phase completed with the availability of basic eco-systems (wheel, wheelbase and pedals) at each price tier• Market and channel strategies in place and subject to ongoing review and refinement• Focus on further innovation and product development to augment eco-systems and drive growth• Supported by brand platform and reputation for performance, quality, reliability and immersive experiences

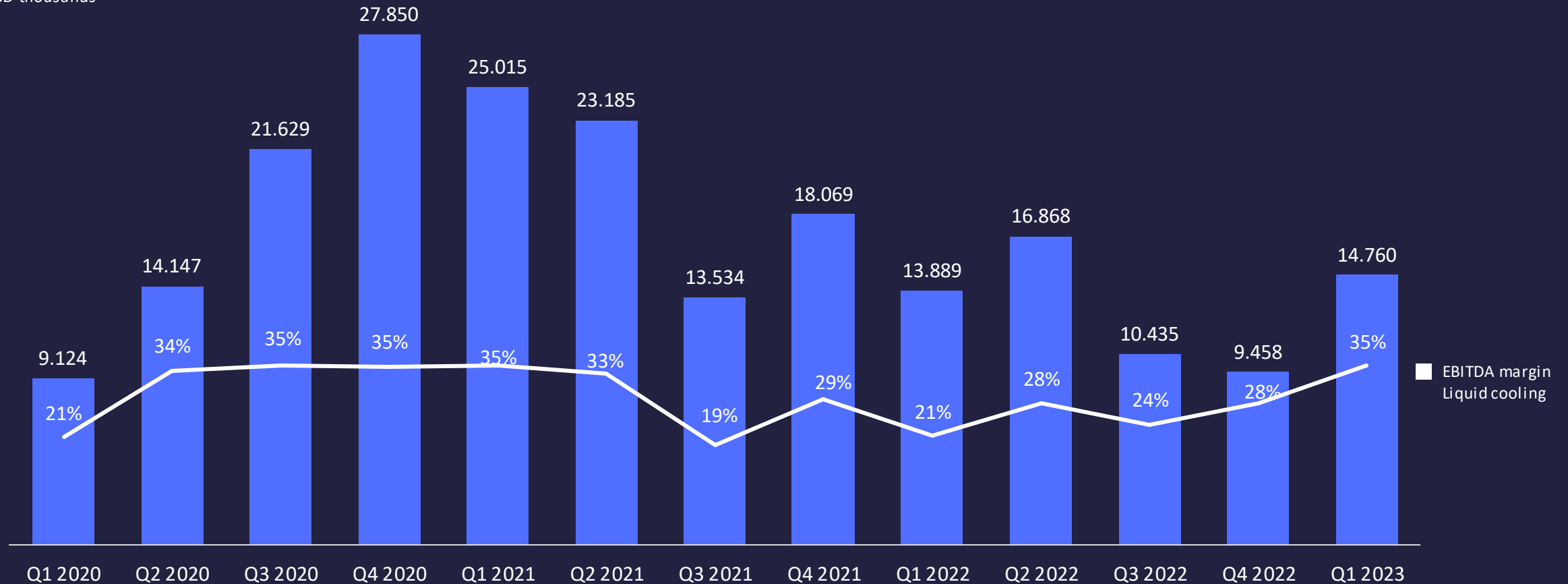
Financials

Revenue and EBITDA margin reflect market volatility



Group revenue and liquid cooling EBITDA margin

USD thousands



Income statement

Figures in USD (000's)	Q1 2023	Q1 2022	2022
	<i>Unaudited</i>	<i>Unaudited</i>	
Revenue	14,760	13,889	50,650
Cost of sales	8,268	8,583	29,885
Gross profit	6,492	5,306	20,765
Research and development	1,662	1,080	5,163
Selling, general and administrative	3,764	6,168	20,884
Other expense (income)	-	-	119
Total operating expenses	5,426	7,248	26,166
Operating income	1,066	(1,942)	(5,401)
Foreign exchange (loss) gain	(385)	130	(344)
Finance income (costs)	68	(45)	(133)
Total financial income (expenses)	(317)	85	(477)
Income before tax	749	(1,857)	(5,878)
Income tax (expense) benefit	(167)	(134)	1,553
Income for the period	582	(1,991)	(4,325)
<i>Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation adjustments	377	(433)	(1,971)
Total comprehensive income	959	(2,424)	(6,296)
Income per share (in USD):			
Basic	0.02	(0.08)	(0.17)
Diluted	0.02	(0.08)	(0.17)

- Q1 revenue reflects increased sales of Liquid cooling and SimSports products compared to previous year
 - Sales of 223,000 sealed loops in Q1 2023 vs. 232,000 shipped in Q1 2022
 - Cooling unit ASP increased to \$60 (\$53) due to shift in product mix towards higher performance products
 - SimSports revenues of \$1.3 million (\$0.2) split between three product groups
- Shipments of gaming products remained impacted by inventory de-stocking and softer end-user demand
- Operating expenses reduced 25% compared to Q1 2022
 - Reduced staff
 - Reduced litigation activity

The financial tables for Q1 2023 are available in the Interactive Analyst Center at <https://ir.asetek.com/overview/default.aspx>

Positive margin development

Quarterly Group gross margin development

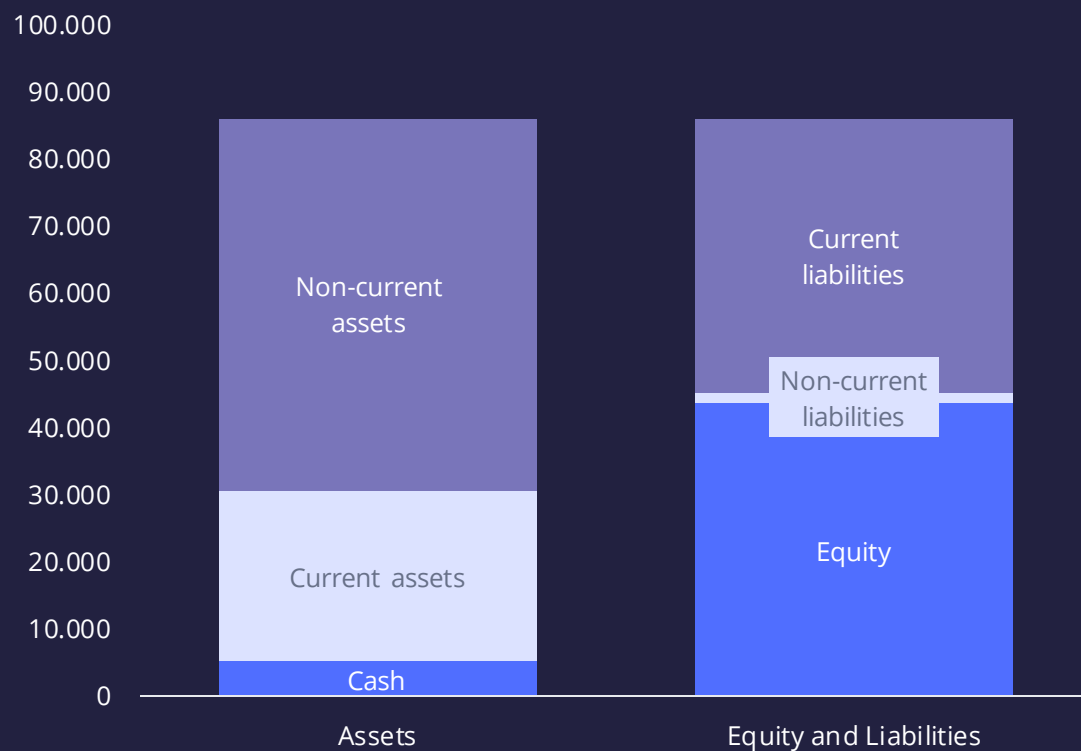


- Q1 2023 gross margin of 44.0% vs. 38.2% in Q1 2022
 - Increase due to richer product mix, increased sales prices, reduced input costs and beneficial exchange rate movements
 - SimSports gross margins still impacted by ramp-up efforts
 - USD/CNY exchange rates is a significant impactor of gross margins

Balance sheet

Balance sheet

USD thousands at March 31, 2023



- USD 5.3 million cash position as at end-Q1 2023
- Investments in product development and HQ
- Continued debt draw-down to finance new HQ
- Rights issue completed in May with gross proceeds of ~\$20 million

Financial strategy



Summary and outlook

- Good end-user interest in Asetek liquid cooling and sim racing products
- Continued signs of stabilization in the liquid cooling market with high customer activity
- Visibility into Q3, Q4 and beyond remains low
- Focus on scaling of SimSports business in terms of products and end-user connection points
- Rights issue completed, providing liquidity to complete HQ construction
- Optimized cost base and continuous focus on efficiencies as a stronger and more scalable company
- Full-year 2023 revenue growth expected in the range of 5% to 15% and operating income in between \$2 and \$4 million
- Long-term average growth expectation of approximately 15% per annum when markets normalize maintained

Q&A



Appendix

Management



Founder and CEO
André S. Eriksen

- Long-term entrepreneur and founder of Asetek
- Previously employed at Danfoss in their management trainee program
- Holds an engineering degree from Aalborg University
- Several MBA level executive management programs from Right, Stanford, MIT and Wharton



CFO
Peter Dam Madsen

- Previous positions include International Controller (DK) and Chief Financial Officer (US) at Martin Professional, Inc.
- Also served as CFO of Dantax Radioindustri A/S listed on the Copenhagen Stock Exchange
- MBA from Fort Lauderdale Metropolitan University



COO
John Hamill

- 30+ years of high tech industry sales, sales management and marketing experience
- Previously held position as VP of Global Sales at nVidia and AMD
- Has managed global sales teams
- BSc in Electronics and Electrical Engineering from the University of Glasgow in Scotland



VP Global Operations
Henrik Gertz

- 20+ years in operations management roles, where he managed fulfilment, logistics, manufacturing planning, procurement, and supply chain functions
- He became a machine fitter at ABB and then studied and earned his Production Technologist degree, and a Diploma in Management



VP Global Sales
Jamie Jamieson

- 10 years+ global liquid cooling sales and management experience
- Prior to becoming VP, he was Senior Director of Sales at Asetek, and has held business development positions at CIARA and CoolIT Systems.
- Studied Sociology and Eastern Religious Studies at the University of Calgary in Canada



VP Global R&D
Thomas Ditlev

- 15+ years of experience with Vestas and Grundfos he has an intimate background in sophisticated pumping and cooling systems designed for global markets
- M.Sc.EE degree from Aalborg University as well as an EMBA in Business Psychology from Business Institute in Aalborg



Director Branding and Outbound Marketing
Solveig Malvik

- Extensive international experience within branding, marketing, communication and business development
- Holds an M.A. in Modern Middle Eastern Studies, Public Policy and Governance from A.U. of Beirut and a Masters in Political Science and Public Administration from the University of Bergen



Director, Global Product Management
Brian Park

- 15+ years experience in defining and executing winning product strategies across industries
- Various senior product management and product marketing roles within the Solar, Building Construction and Semiconductor industries
- Holds a B.S. in Chemical Engineering and a B.S. in Material Science both from the University of California, Berkeley as well as an MBA from the University of California, Davis

Board of Directors



Chairman
René Svendsen-Tune

- 30+ years of management and executive experience in technology sectors ranging from mobile network technology to consumer products
- 10+ years of global experience in board positions at private and public companies combined with years of strategic, operational and financial responsibilities
- Global perspective and experience rooted in Nordic leadership mindset and style



Vice Chairman
Erik Damsgaard

- Experienced Managing Director from the electrical and electronic manufacturing industry
- 20 years as leader at OJ Industries in the HVAC and Floor heating industry. He is also Chairman of Danish service and distributor company Masentia A/S and Masentia Holding AB
- Holds M.Sc. in Electronics and a diploma in Business Economics, both from Aarhus University. Has graduated an Executive Management Program at INSEAD



Director
Jukka Pertola

- 20+ years of management experience in ICT, energy, industry, infrastructure and healthcare sectors
- 10+ years of international experience in board positions at private and public companies and organizations
- Solid technological background in telecommunications, IT, digitalization and electrical engineering
- Experience in R&D funding and technology transfer projects



Director
Maria Hjorth

- 20+ years of consulting and financial sector experience covering business development, M&A, investor relations and operational optimization
- Professional board member
- MSc and BSc in Economics from University of Copenhagen and a MSc in Business Psychology from University of Westminster in London



Director
Maja Frølund Sand-Grimnitz

- Experienced marketing leadership and business growth professional
- Expertise in growing brands and businesses through strategy, process development and implementation
- Experience from Sport & Entertainment, tech, FMCG and finance
- Currently a Director, Brand Management & Global Gaming Marketing at EPOS Group

Balance sheet summary

Figures in USD (000's)	31 Mar 2023	31 Dec 2022
ASSETS	<i>Unaudited</i>	
Total non-current assets	55,570	50,799
Total current assets	30,488	27,816
Total assets	\$ 86,058	\$ 78,615
EQUITY AND LIABILITIES		
Total equity	43,802	42,748
Total non-current liabilities	1,558	1,739
Total current liabilities	40,698	34,128
Total equity and liabilities	\$ 86,058	\$ 78,615

Cash flow summary

Figures in USD (000's)	Three months ended	
	31-Mar-23 <i>Unaudited</i>	31-Mar-22 <i>Unaudited</i>
Net cash provided by (used in) operating activities	(3,354)	(7,763)
Net cash used in investing activities	(6,329)	(3,736)
Net cash provided by (used in) financing activities	7,172	1,019
Effect of exchange rate changes on cash and cash equivalents	432	(184)
Net changes in cash and cash equivalents	(2,079)	(10,664)
Cash and cash equivalents at beginning of period	7,411	23,296
Cash and cash equivalents at end of period	\$ 5,332	\$ 12,632

Statement of equity, summary

Unaudited

Figures in USD (000's)	Three months ended	
	31-Mar-23	31-Mar-22
Equity at January 1	\$ 42,748	\$ 48,388
Total comprehensive income for the period		
Income for the period	582	(1,991)
Foreign currency translation adjustments	377	(433)
Total comprehensive income for the period	959	(2,424)
Transactions with owners during the period		
Shares issued for options exercised	-	36
Share based payment expense	95	142
Transactions with owners during the period	95	178
Equity at end of period	\$ 43,802	\$ 46,142



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www.asetek.com