



Q4 2021

4 March 2021



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Forward-looking statements include, among other things, statements concerning Asetek's potential exposure to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. A number of factors that affect Asetek's future operations and could cause Asetek's results to differ materially from those expressed in the forward-looking statements included in this document, include (without limitation): (a) changes in demand for Asetek's products; (b) currency and interest rate fluctuations; (c) customer concentration and industry competition; (d) legislative, fiscal, and regulatory developments, including changes in tax or accounting policies; (e) ability to enforce patents; (f) product development risks; (g) customer credit risks; and (h) supply of components.

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Highlights

- 2021 revenue of \$79.8 million (10% growth) and EBITDA adjusted of \$7.2 million
- Full-year Gaming & Enthusiast revenue growth of 13% to \$72.9 million
- Q4 revenue of \$18.1 million compared with record \$27.9 million in Q4 2020
- Q4 gross margin of 42% compared with 44% in prior year
- Q4 EBITDA adjusted of \$0.7 million, compared with \$6.9 million in Q4 2020; operating expense growth reflects continuing investment in SimSports
- Encouraging market debut for SimSports with pre-orders of Invicta Sim Racing Pedals and highly positive reviews, confirming Asetek's value proposition
- 2022 group revenue growth expected of -5% to +15% and operating income is expected to be between -\$1 and +\$5 million, reflecting a volatile global situation

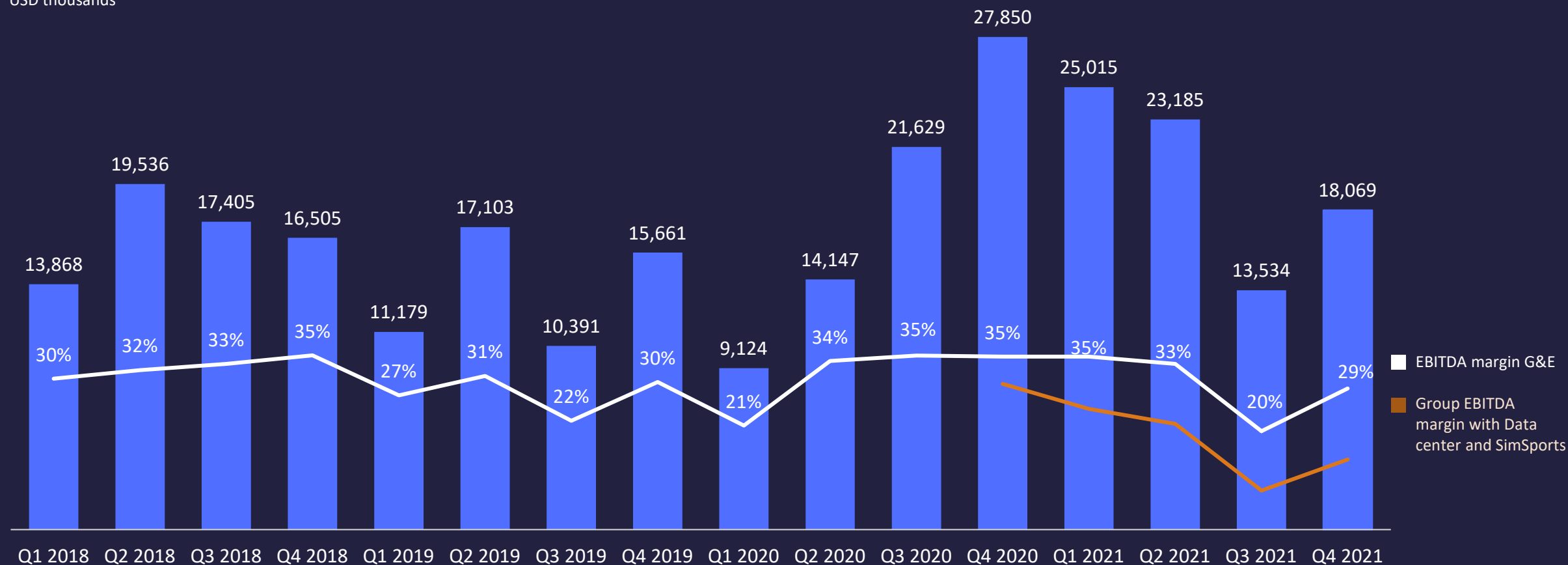
Status update Gaming & Enthusiast market



EBITDA margin improvement with revenue increase and HPC exit

Revenue and EBITDA margin

USD thousands

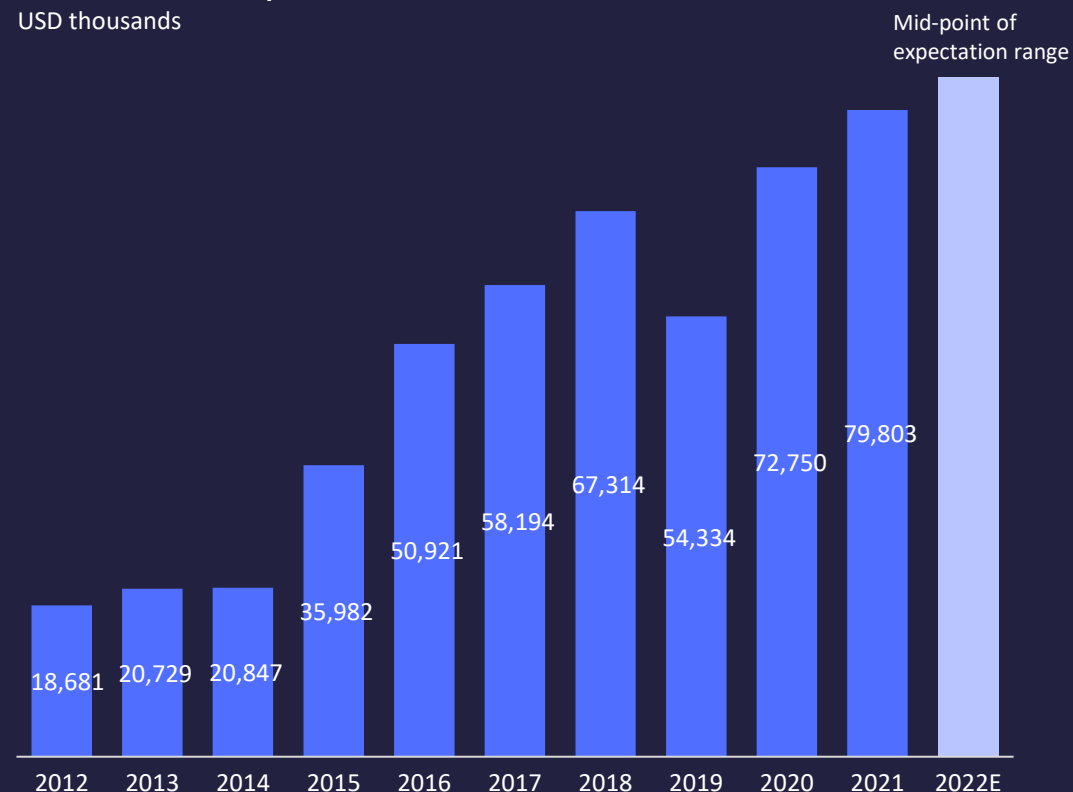


Market headwinds tempering near-term growth outlook

- Record revenue in 2021
 - Strong start to the year on Gaming & Enthusiast demand, followed by market-trough in Q3 on component shortages
 - Recovery and stabilization at a higher level in Q4
- 2022 group revenue growth expected in the range of -5% to +15% compared with 2021
 - Considering assumptions such as shortages of semiconductor chips, shipping cost and capacity variances, pandemic lockdowns and general geo-political tensions
 - An overall expectation that the business climate will normalize over the course of the year
- Operating income is projected to be between -\$1 and +\$5 million in 2022, reflecting the above uncertainties

Annual Group revenue

USD thousands



Global platform with integrated value chain supports growth and expansion



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

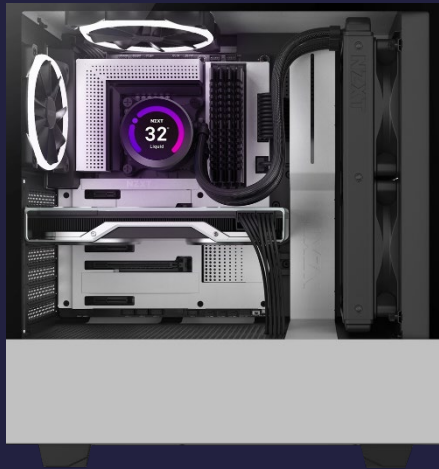
IP platform: Applications | Technology | Systems | Products | Patents | High-volume manufacturing | World-wide hub infrastructure

10 million units shipped | 156 employees | FY'21 revenue of USD 80m | Listed on Oslo Børs

Growing offering for more immersive gaming and racing experiences

Gaming and Enthusiast

Data center



Enthusiasts and do-it-yourself (DIY)

Competitive and committed gamers and enthusiasts

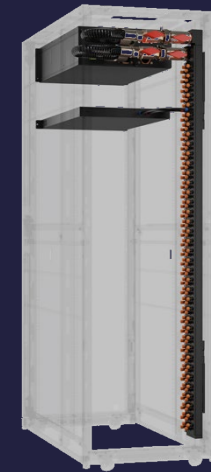


Gaming/Performance PCs



SimSports

Gamers, racing and automobile enthusiasts



Enterprise

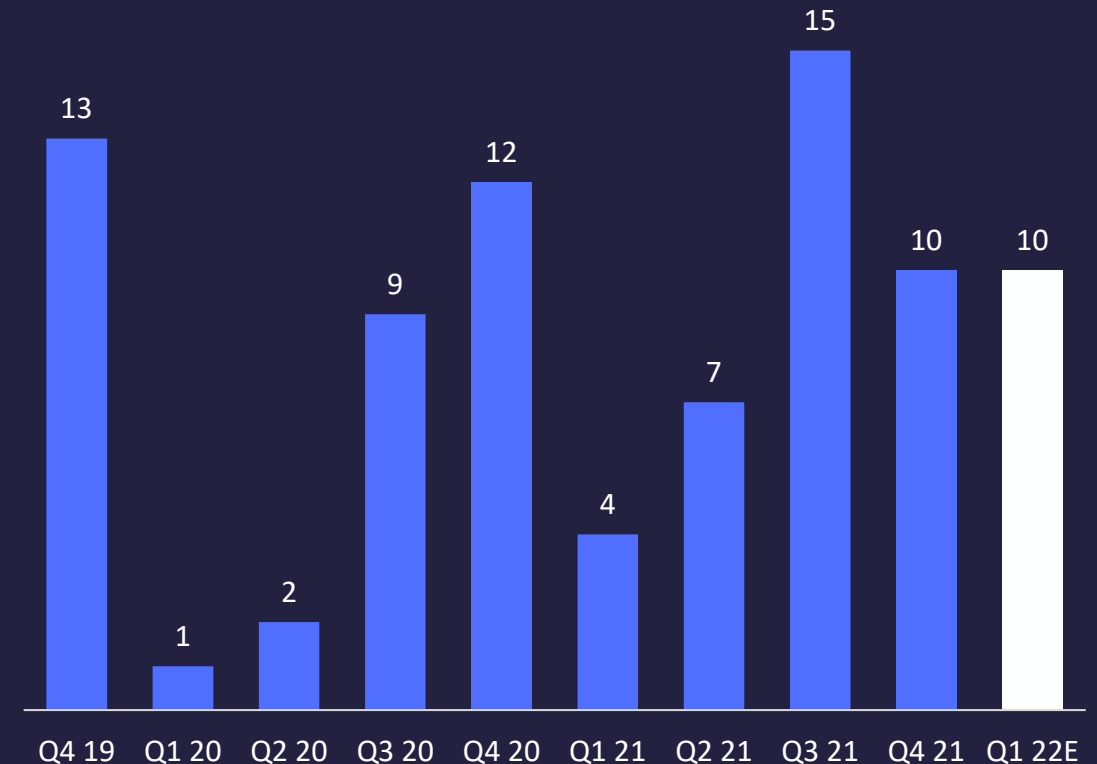


Gaming & Enthusiast

Product releases reflect confidence in long-term demand growth



- 10 new products started shipping in Q4 2021
 - Two new customers
- 10 new products estimated to start shipping in Q1 2022
 - Higher than previous years as some products were postponed by the OEMs into 2022
- Continuous investments in product development and branding to expand reach with key customers based on the core tenants of performance, quality and reliability



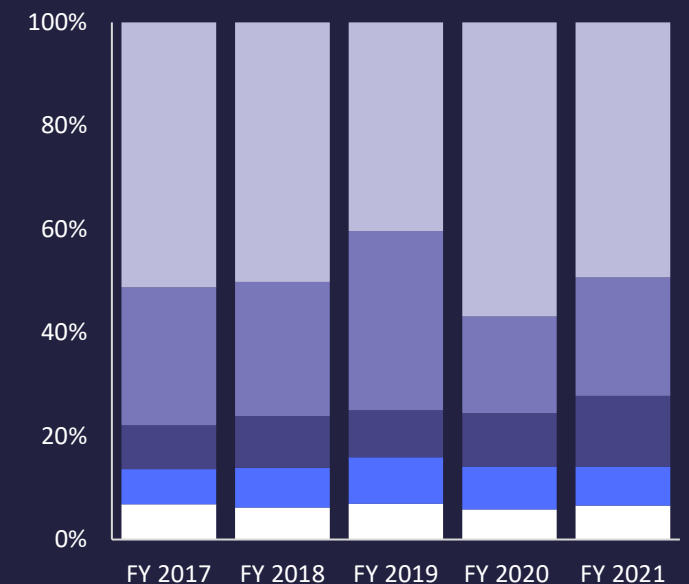
Strengthening a wide and diversified base of Gaming & Enthusiast OEMs

- Currently shipping to over 20 OEMs
- Top five represented 83% of Gaming and Enthusiast revenue in YTD 2021, vs. 81% for full-year 2020
- The largest OEMs have benefited the most from demand increase since the onset of the pandemic
- Ambition to increase diversification over time with Razer and Sapphire as new OEMs in Q4 2021
- Continuous monitoring and assessment of IP

Top 5 Gaming and Enthusiast customers¹



Top 5 customers revenue split ²⁾



1) Sorted alphabetically per Q4 2021

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

Key new Gaming & Enthusiast OEMs in 2021

- Razer
 - The first AIO liquid coolers, the Razer Hanbo series launched in October which have been off to a good start
- Sapphire
 - TOXIC AMD RADEON™ RX 6900 XT Limited Edition Graphics Card with Hybrid GPU Cooler (February)
 - NITRO+ AIO CPU Coolers (December)



Gaming & Enthusiast 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• Products which deliver best 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• Positioning to monetize Asetek brand



SimSports

Product roll-out progressing to plan

- The Asetek Invicta premium performance SimRacing pedals were available for pre-order in November
 - Throttle, brake and add-on clutch, along with the RaceHub software for easy adjustments and calibration
 - Products started shipping to customers in early March 2022
- Development of steering wheels and wheelbase on track
 - Exclusive agreement with HangZhou MiGE for use of its servo motor technology in Asetek's range of high-end wheel-bases
 - Tailor-made solutions and with Asetek designed motor using own software and implementing acquired IP
 - Launch planned for late 2022 following testing, further development, tooling and manufacturing setup
- Development of Pagani-licensed products progressing for release in mid-2022
- Product development founded on extensive mechatronics and real racing competencies in close collaboration with leading sim racers



Strong feedback from sim racing reviewer and influencers

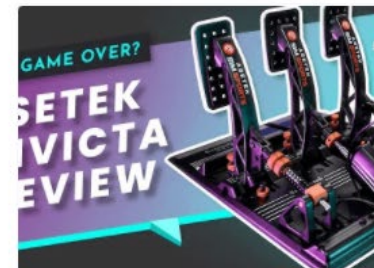
- “I still would give the full 10 points here (10/10 rating). [...] For me, this is probably the best pedal set that I have used so far. I will leave it on the rig. I don't know what I could change on it.” - Dan Suzuki
- “Overall we love these pedals. While they certainly aren't a one-size-fits-all product, they achieve what they set out to do exceptionally well and at what we believe to be a very reasonable price point.” -Boosted Media
- “These are definitely the nicest pedals, I have ever used. Hands down! Everything from the build quality, to the way they feel, to their functionality, adjustability. And the effort that's gone into the research and development into making these feel as close to real-life race pedals that you find in race cars.” - Karl Gosling



Invicta

February 14, 2022

Boosted Media Invicta™ Pedals Full Review



Invicta

February 14, 2022

Dan Suzuki Invicta™ Pedals Review



Invicta

February 14, 2022

Laurence Dusoswa Invicta™ Pedals Mini Review



Invicta

February 14, 2022

Ron Reviewt Invicta™ Pedals Review



Invicta

February 14, 2022

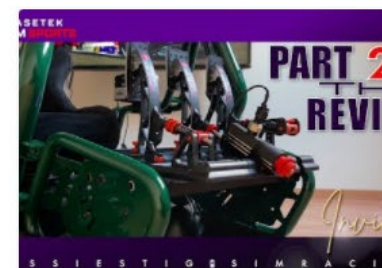
Dave Cam Invicta™ Pedals Review



Invicta

February 14, 2022

Karl Gosling Invicta™ Pedals Review



Invicta

February 25, 2022

AussieStig Invicta™ Pedals Review

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 third growth segment in a fragmented market	<ul style="list-style-type: none">• Initial focus on innovation and product development• Product development on plan based on own software and implementation of acquired IP• Finalize market and channel strategies, including direct sales, online resellers, motorsports shops etc.• First products available for customers Q1 2022 with further launches in 2022 and 2023• Supported by brand platform and reputation for performance, quality, reliability and immersive experiences

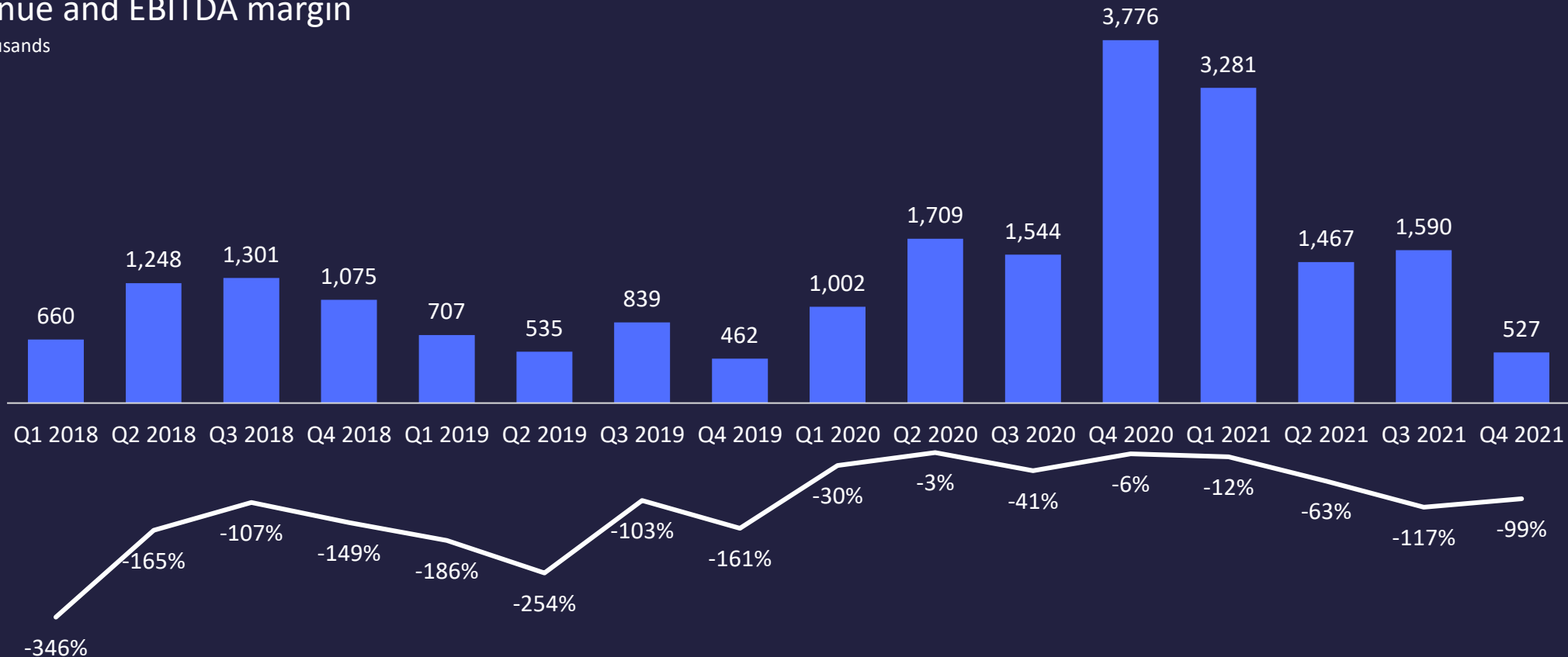
Data center

Data center development reflective of a sub-scale market



Revenue and EBITDA margin

USD thousands



Full-year loss of about \$5 million expected from the HPC business

EU supports use of liquid cooling to cut data center CO2 emissions and enable circular economy



- Development of new EU energy legislation favorable to adoption of Asetek technology progressing based on the EU Commission's July 2021 Energy Efficiency Directive
- Proposal requires the reuse of waste heat generated in data centers
- The EU seeks to neutralize CO2 emissions and preserve and reuse precious resources from rapidly growing data center activity through adoption of circular infrastructure
- Asetek's Direct-to-chip liquid cooling enables power savings and CO2 emission reductions by enabling direct reuse of the waste heat at 60-65 centigrade in district heating systems without using power consuming heat-pumps
- It is one of the most impactful technologies available to address these issues and meets EU's requirements for "minimal ancillary energy inputs"
- Preparing for increased long-term demand associated with this potential legislation



Update data center strategic development

Goal	Strategy	Development and Outlook
<p>Maintain Data center position and create a sustainable and profitable business over time</p>	<ul style="list-style-type: none">• Influence the influencers and support adoption of latest EU proposals into legislation for climate gains from reusing waste heat on the way towards carbon neutrality• Leverage existing technology and investments to gain position in the general Data center segment	<ul style="list-style-type: none">• Global sustainability agenda strengthens rationale for Asetek's data center solution over times• Positive impact from direct engagement with the EU with current "Green Deal" proposals favoring liquid cooling• Market adoption of liquid cooling will remain slow until adoption of the proposed Green Deal legislation has been decided• Prepared and positioned for a potential shift in demand driven by adoption of the proposed legislation• Sharpening Data center business segment and stop investments in HPC niche to improve profitability• General Data center business segment to be main priority going forward

Financials

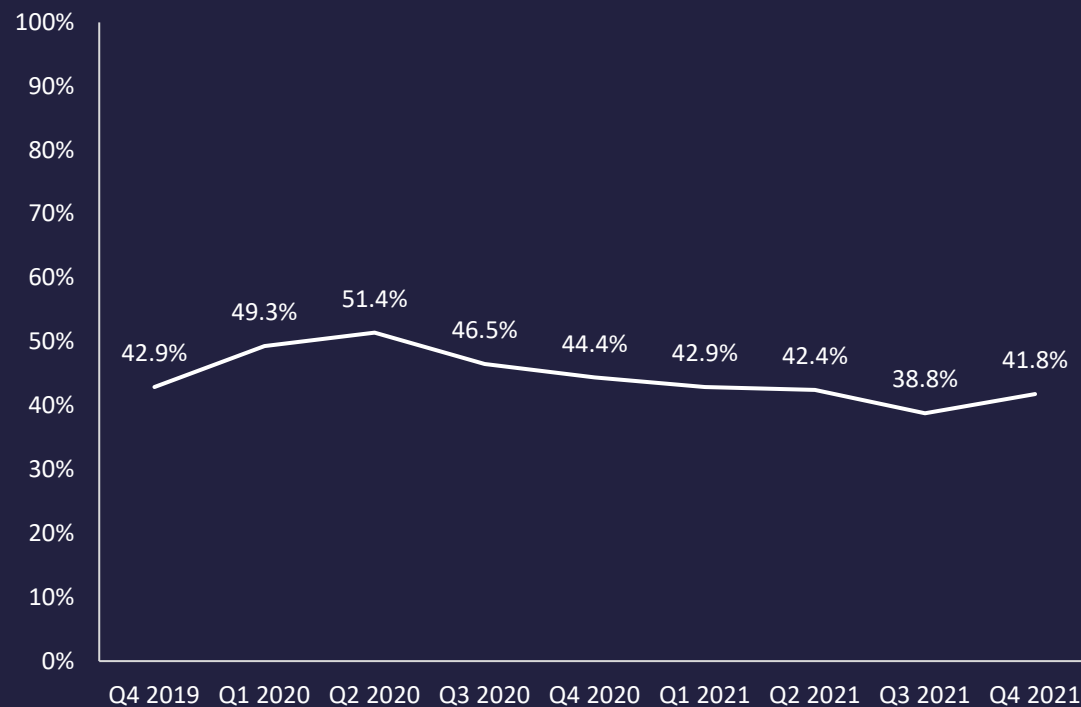
Income statement

Figures in USD (000's)	Q4 2021		Q4 2020		2021		2020	
	<i>Unaudited</i>		<i>Unaudited</i>					
Revenue	\$	18,069	\$	27,850	\$	79,803	\$	72,750
Cost of sales		10,519		15,496		46,430		38,556
Gross profit		7,550		12,354		33,373		34,194
Research and development		1,807		1,759		7,092		5,718
Selling, general and administrative		6,297		5,005		24,503		17,548
Special items		-		-		1,713		-
Other expense (income)		-		-		(714)		-
Total operating expenses		8,104		6,764		32,594		23,266
Operating income		(554)		5,590		779		10,928
Foreign exchange (loss) gain		249		(690)		832		(1,361)
Finance income (costs)		(64)		(65)		(214)		(141)
Total financial income (expenses)		185		(755)		618		(1,502)
Income before tax		(369)		4,835		1,397		9,426
Income tax (expense) benefit		215		1,305		(60)		(231)
Income for the period		(154)		6,140		1,337		9,195
Foreign currency translation adjustments		(186)		1,293		(1,709)		2,392
Total comprehensive income	\$	(340)	\$	7,433	\$	(372)	\$	11,587
Income per share (in USD):								
Basic	\$	(0.01)	\$	0.24	\$	0.05	\$	0.36
Diluted	\$	(0.01)	\$	0.23	\$	0.05	\$	0.35

- Q4 revenue reflects reduced shipments of Gaming & Enthusiast products compared to Q4 2020
 - Sales of 302,000 sealed loops in Q4 (-35%)
- Full year Gaming & Enthusiast revenue growth of 13% despite market challenges
 - Sales of 1.4 million sealed loops (+15%)
 - Group revenue increased 10% YoY
- Revenue fluctuations due to changes in shipments of G&E products negatively impacted by shortage of semiconductor chips
- Increase in overhead includes investment in the SimSports business and to support revenue growth

Margin development

Quarterly Group gross margin development



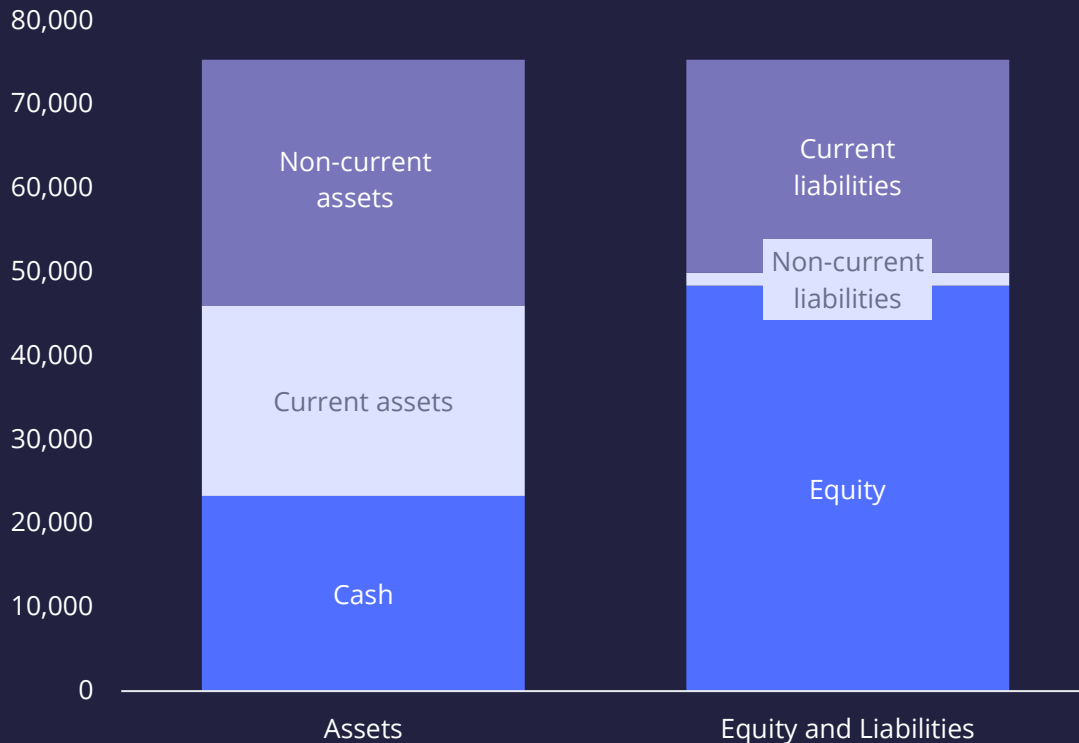
- Gross margin of 41.8% vs. 38.8% in the previous quarter, with increase partly reflecting reduced exposure to higher logistics costs
 - Decline vs. fourth quarter 2020 due to weaker dollar, increased shipping costs (supply chain disruptions) and product mix change
- Full-year 2021 margin of 41.8% in line with expectations of a normalized level compared to a record high in 2020
 - Expected higher than 40% going forward

Strong balance sheet supporting long-term growth



Balance sheet

USD thousands as at December 31, 2021



- Strong cash position and low interest-bearing debt
- Solid and attractive partner for OEM customers
- Flexibility to develop and defend IP
- Platform for expanding gaming product portfolio
- Supportive of efficient funding of new corporate HQ
- Ambition to distribute cash surplus over time subject to change of current tax situation

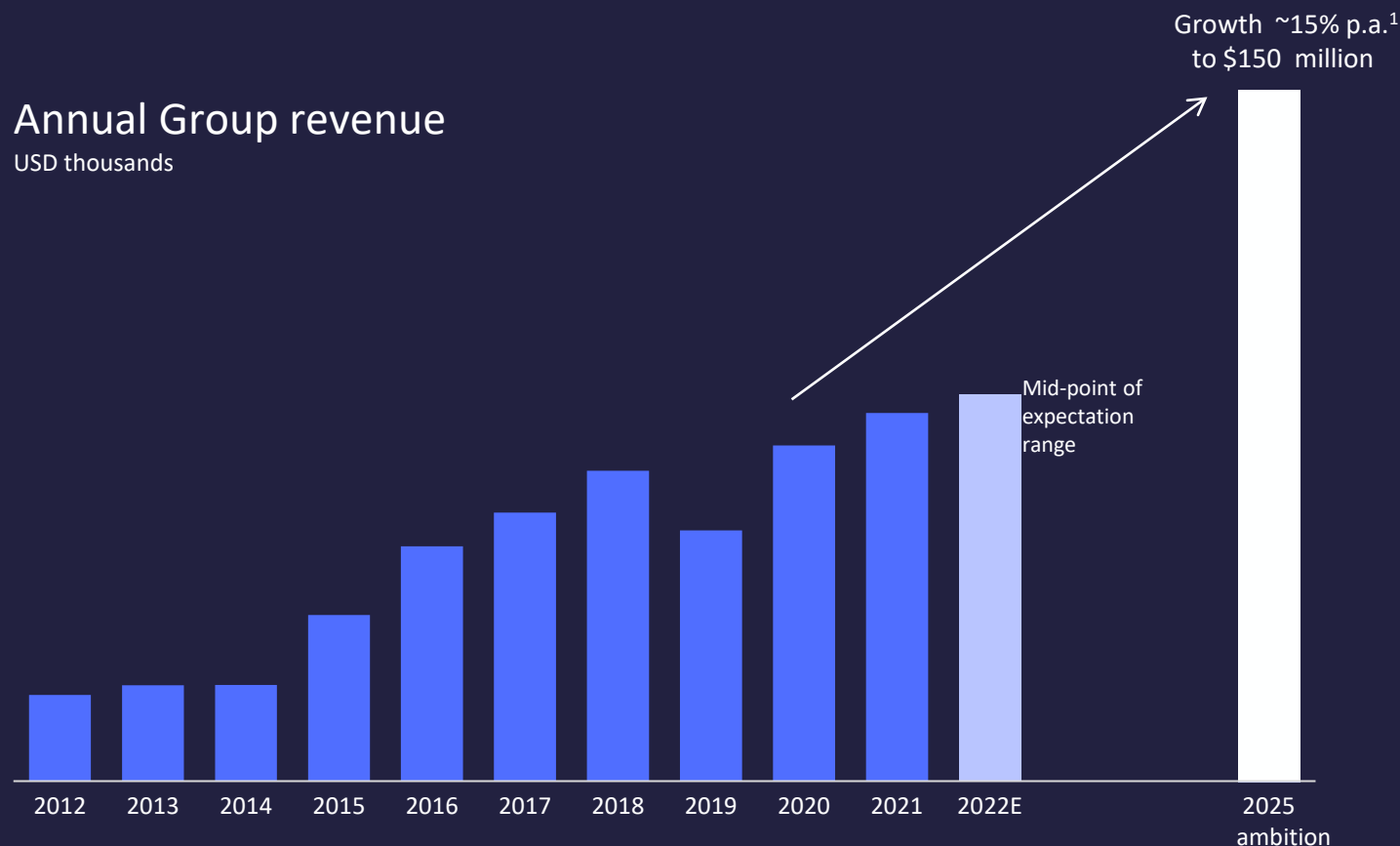
Financial strategy



Summary and outlook: 2025 revenue ambition maintained

- Long-term growth target of an average of approximately 15% per annum
 - In some years growth may exceed the average, and in other years it may be lower
- 2022 growth expectation considers chip shortages, logistics challenges, pandemic lockdowns, general geo-political tensions and an expected normalization of business climate
- Encouraging market debut for first SimSports products
- Development of SimSports offering progressing to plan with more products for launch in 2022 and 2023

Annual Group revenue
USD thousands



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



Director, Global Product Management
Brian Park

- 15+ years experience in defining and executing winning product strategies across multiple industries
- Has held 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



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



VP Global Quality
Magnus Hakanen

- 20+ years of experience from quality management positions within international organizations like VELUX, Grundfos, Vestas, Nilfisk and automotive companies
- M.Sc. in Mech. Engineering from the KTH Royal Institute of Technology in Stockholm, Sweden. In addition he also has a Six-Sigma Black Belt certification



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

Board of Directors



Chairman
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



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
Jørgen Smidt

- 25+ years of international operational and business management experience from the mobile telecoms industry, including Nokia and Motorola
- Experience includes investment and international marketing, market positioning and communication strategies
- Currently a partner at Sunstone Technology Ventures Fund I
- Holds an engineering degree in computer science from the Engineering College of Copenhagen



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

Income statement

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Selling, general and administrative		6,297		5,005		24,503		17,548
Special items		-		-		1,713		-
Other expense (income)		-		-		(714)		-
Total operating expenses		8,104		6,764		32,594		23,266
Operating income		(554)		5,590		779		10,928
Foreign exchange (loss) gain		249		(690)		832		(1,361)
Finance income (costs)		(64)		(65)		(214)		(141)
Total financial income (expenses)		185		(755)		618		(1,502)
Income before tax		(369)		4,835		1,397		9,426
Income tax (expense) benefit		215		1,305		(60)		(231)
Income for the period		(154)		6,140		1,337		9,195
<i>Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:</i>								
Foreign currency translation adjustments		(186)		1,293		(1,709)		2,392
Total comprehensive income	\$	(340)	\$	7,433	\$	(372)	\$	11,587
Income per share (in USD):								
Basic	\$	(0.01)	\$	0.24	\$	0.05	\$	0.36
Diluted	\$	(0.01)	\$	0.23	\$	0.05	\$	0.35

Balance sheet

Figures in USD ('000's)

31 Dec 2021 31 Dec 2020

ASSETS

Non-current assets

Intangible assets	\$	10,938	\$	3,217
Property and equipment		11,732		7,049
Deferred income tax assets		6,293		6,421
Other assets		362		605
Total non-current assets		29,325		17,292

Current assets

Inventory		5,532		2,531
Trade receivables and other		17,201		24,471
Cash and cash equivalents		23,296		27,099
Total current assets		46,029		54,101
Total assets	\$	75,354	\$	71,393

EQUITY AND LIABILITIES

Equity

Share capital	\$	442	\$	433
Retained earnings		58,077		50,681
Translation and treasury share reserves		(10,131)		(3,589)
Total equity		48,388		47,525

Non-current liabilities

Long-term debt		1,540		2,604
Total non-current liabilities		1,540		2,604

Current liabilities

Short-term debt		1,703		1,525
Accrued liabilities		3,157		2,429
Accrued compensation & employee benefits		2,074		3,193
Trade payables		18,492		14,117
Total current liabilities		25,426		21,264
Total liabilities		26,966		23,868
Total equity and liabilities	\$	75,354	\$	71,393

Cash flow statement

Figures in USD ('000's)	FY 2021		FY 2020	
Cash flows from operating activities				
Income for the period	\$	1,337	\$	9,195
Depreciation and amortization		3,750		3,754
Gain on sale of property, plant and equipment		(688)		-
Special items		1,713		-
Finance income recognized		(2)		(51)
Finance costs recognized		216		192
Finance income, cash received		2		51
Finance costs, cash paid		(141)		(112)
Income tax expense		60		231
Cash receipt (payment) for income tax		(446)		10
Share based payments expense		981		918
Changes in trade receivables, inventories, other assets		2,957		(10,121)
Changes in trade payables and accrued liabilities		4,578		7,363
Net cash provided by (used in) operating activities		14,317		11,430
Cash flows from investing activities				
Acquisition of business		-		(1,316)
Additions to intangible assets		(5,974)		(1,571)
Purchase of property, plant and equipment		(8,322)		(1,929)
Disposal of property, plant and equipment		1,092		-
Net cash used in investing activities		(13,204)		(4,816)
Cash flows from financing activities				
Funds drawn (paid) against line of credit		260		(269)
Repurchase of common shares		(4,833)		(6,369)
Proceeds from issuance of share capital		865		2,381
Principal payments on capitalized leases		(928)		(831)
Net cash provided by (used in) financing activities		(4,636)		(5,088)
Effect of exchange rate changes on cash and cash equivalents		(280)		1,068
Net changes in cash and cash equivalents		(3,803)		2,594
Cash and cash equivalents at beginning of period		27,099		24,505
Cash and cash equivalents at end of period	\$	23,296	\$	27,099
Supplemental disclosures -				
Property and equipment acquired under leases	\$	108	\$	668
Shares issued for purchase of assets	\$	4,222	\$	-

Statement of equity

Figures in USD (000's)	Share capital	Translation reserves	Treasury share reserves	Retained earnings	Total
Equity at January 1, 2021	\$ 433	\$ 2,784	\$ (6,373)	\$ 50,681	\$ 47,525
Total comprehensive income – year ended December 31, 2021					
Income for the period	-	-	-	1,337	1,337
Foreign currency translation adjustments	-	(1,709)	-	-	(1,709)
Total comprehensive income - year ended December 31, 2021	-	(1,709)	-	1,337	(372)
Transactions with owners - year ended December 31, 2021					
Shares issued for purchase of assets	6	-	-	4,216	4,222
Shares issued for options exercised	3	-	-	862	865
Shares repurchased	-	-	(4,833)	-	(4,833)
Share based payment expense	-	-	-	981	981
Transactions with owners - year ended December 31, 2021	9	-	(4,833)	6,059	1,235
Equity at December 30, 2021	\$ 442	\$ 1,075	\$ (11,206)	\$ 58,077	\$ 48,388
Equity at January 1, 2020	\$ 423	\$ 392	\$ (4)	\$ 38,197	\$ 39,008
Total comprehensive income - year ended December 31, 2020					
Income for the period	-	-	-	9,195	9,195
Foreign currency translation adjustments	-	2,392	-	-	2,392
Total comprehensive income - year ended December 31, 2020	-	2,392	-	9,195	11,587
Transactions with owners - year ended December 31, 2020					
Share issued	10	-	-	2,371	2,381
Shares repurchased	-	-	(6,369)	-	(6,369)
Share based payment expense	-	-	-	918	918
Transactions with owners - year ended December 31, 2020	10	-	(6,369)	3,289	(3,070)
Equity at December 31, 2020	\$ 433	\$ 2,784	\$ (6,373)	\$ 50,681	\$ 47,525



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