



Strengthening of Asetek's financial position through rights issue and update of medium-term ambitions

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Aalborg, 7 November 2024

Strengthening of financial position through rights issue

The board of directors of Asetek A/S ("Asetek" or the "Company") has resolved to seek to strengthen the Company's financial position through a rights issue.

As announced in the half year report of 2024 of the Company and the related company announcement of 13 August 2024, lower demand in Asetek's Liquid Cooling segment impacted the Company's earnings in first half year of 2024 and continues to affect the business in 2024. As response to these developments, Asetek initiated measures to right-size the organisation and management, including scaling down the U.S. operations. While these measures are expected to yield annual cost savings of approximately USD 3 million with full effect from the first quarter of 2025, they are not sufficient to satisfy the Company's working capital and its ambition to continue investments in its SimSports segment as further set out in the updated medium-term ambitions below.

On this basis, the board of directors of the Company has resolved to seek an authorisation from the shareholders to complete the necessary capital raise and will call for an extraordinary general meeting of the Company to propose that it becomes authorised to issue new shares with preemptive rights for the Company's shareholders through a rights issue.

If granted by the general meeting, the board of directors intends, subject to prevailing market conditions and other factors, to use its authorisation to launch a rights issue expectedly in Q4 of 2024 or Q1 of 2025.

The Company has engaged ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA ("ABGSC"), as financial advisor in connection with the capital raise, and ABGSC has in a customary market sounding received positive feed-back and non-binding support for a rights issue.

Updated medium-term ambitions

In 2023, Asetek announced medium-term ambitions of averaging a 15% annual increase in revenue until 2025, however, with significant variations from year to year. The Company has reviewed and decided to update its ambitions for the medium term. Overall, the updated medium-term ambitions reflect the Company's efforts to adapt to changes to the market environment in the Liquid Cooling segment as well as the Company's continued comfort in executing its growth strategy within the SimSports segment.

For the Liquid Cooling segment, the Company aims to reach a revenue of USD 50 million towards the end of the medium term. The Company believes that it will likely experience a negative single-digit growth rate in 2025 before positive revenue growth rates will return from 2026 and onwards. Further, the Company aims to consistently achieve an Adjusted EBITDA Margin of +25% in the medium term for the Liquid Cooling segment.

For the SimSports segment, the Company aims to reach a revenue of USD +50 million and continuously improve the Adjusted EBITDA Margin and reach a positive, single-digit Adjusted EBITDA margin towards the end of the medium term.

In order to achieve the medium-term ambitions Asetek expects a financing need as of today of around USD 20 million during the medium term, which includes the capital to strengthen the Company's financial position in the short term. As a significant share of the capital will be invested over multiple years, the Company will evaluate its options on how to obtain the financing amount, including as part of the contemplated rights issue, which is contemplated to cover at least USD 15 million (gross proceeds) of the required capital, future share issues or debt issuance as well as the timing of these.

The medium-term ambitions are based on a number of assumptions related to future sales and costs. The Company assumptions regarding future sales are highly uncertain and to a large extent outside of the Company's control. The Company will to a larger degree be able to postpone planned cost increases or reduce previously increased costs, and the Company will continuously evaluate the need to do so.

For further information about the Company, please contact:

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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 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.

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