



Asetek – Q1 2017: Reaffirming 2017 expectations

- Quarterly revenue growth of 10% driven by high-end gaming cooling demand
- New orders and development agreement with undisclosed major player reflect increased end-user adoption in data center segment
- Shipments of Asetek's sealed loop coolers surpassed 4 million units since inception
- Continued positive EBITDA
- Cash dividend of NOK 1.00 per share approved at AGM
- Reaffirming 2017 expectations of moderate desktop segment and significant data center revenue growth

Asetek reported revenue of \$11.5 million in the first quarter of 2017, a 10% increase from the first quarter 2016. The change from prior year reflects an increase in desktop revenue driven by shipments in the DIY market, partly offset by a decline in data center revenue.

"We are making good progress in our emerging data center business with several new orders and the announced signing of a development agreement with an undisclosed partner. It confirms that we are on track to meet our ambition of increasing end-user adoption in the data center market. Our desktop business segment delivered another quarter of revenue growth on demand from the high-end gaming market," says André Sloth Eriksen, Chief Executive Officer.

Gross margin for the first quarter was 38.5%, compared with 39% in the first quarter of 2016 and 37% in the fourth quarter 2016. The EBITDA was \$0.7 million in the first quarter 2017, compared with EBITDA of \$1.2 million in the first quarter of 2016.

Desktop revenue was \$11.1 million in the first quarter, an increase of 17% from the same period of 2016. Operating profit from the desktop segment was \$3.4 million, an increase from \$2.8 million in the same period last year, due to an increase in DIY product sales.

Data center revenue was \$0.4 million, a decrease from \$1.0 million in the prior year due to fewer shipments to OEM customers. This variability is expected while the Company secures new OEM partners and growth of end-user adoption through existing OEM partners.

Asetek continued to invest in its data center business and the segment operating loss was \$1.8 million for the first quarter, compared with \$1.0 million in the same period of 2016. Expenditures relate to technology development, and sales and marketing activities with data center partners and OEM customers.

Through new and repeat orders received from existing data center OEM partners in the first quarter and more recently in April, Asetek is increasing its end-user adoption with technology deployed to new HPC installations.

In February Asetek signed a development agreement with an undisclosed major player in the data center market and expects this agreement to result in new products in 2017 which will drive long-term data center revenue.

Asetek reaffirms its annual outlook for the full year 2017, anticipating moderate growth in the desktop business and significant revenue growth in the data center segment, when comparing to 2016.

The proposal of a cash dividend of NOK 1.00 per share was approved by the AGM.

For questions or further information, please contact:

CEO and Founder André S. Eriksen, +45 2125 7076, email: ceo@astek.com

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

Asetek's first quarter report is available in PFD and as webcast, to download please visit: www.asetek.com/investor-relations/reports-presentations

Asetek's press room is available on www.asetek.com/press-room/news/