



Asetek – Q1 2021: Record first-quarter revenue and EBITDA on strong Gaming and Enthusiast demand

- **Record first-quarter revenue of \$25.0 million, reflecting growth of 174% over Q1 2020**
- **Gross margin of 43% compared with 49% in Q1 2020**
- **Record first-quarter EBITDA adjusted of \$4.7 million, compared with \$0.2 million in Q1 2020**
- **Announced entering the fast-growing SimSports gaming market, with the expected launch of new products in late 2021**
- **2021 Group revenue expectation updated April 7 to an increase of 20% to 30% over 2020 revenue of \$72.8 million**
- **Gross margin is expected to decline from 2020 and Asetek expects operating income of about \$11 to \$16 million, up from \$10.9 million in 2020**

Asetek reported record revenue of \$25.0 million in the first quarter of 2021, an increase of 174% from the same period of 2020. The change from prior year's period mainly reflects increased shipments of Gaming and Enthusiast products.

Gross margin was 43% for the first quarter of 2021 compared with 49% in the first quarter of 2020. The change from prior year reflects a change in the mix of product shipments, increases in certain component costs, and a weaker US Dollar.

“We have had a strong start to the year with record revenue and profitability on the back of continued strong demand for Gaming and Enthusiast products supported by improved activity for the Data center business,” said André Sloth Eriksen, CEO and founder of Asetek. “Looking ahead, we expect growth to continue in 2021, which is reflect in our recent update to the full-year outlook. We also look forward to launching the first of our SimSports products for a rapidly growing segment of the gaming market.”

Operating income totaled \$3.5 million and adjusted EBITDA was \$4.7 million in the first quarter of 2021, compared with operating loss of \$0.9 million and adjusted EBITDA of \$0.2 million in the first quarter of 2020.

During the first quarter, the Company repurchased a total of 163 thousand common shares for a total cost of \$2.1 million to offset employee option grants, completing the buyback program that was launched in October 2020.

On April 21, to offset an approved employee option grant, the Board of Directors authorized repurchase of an additional 237 thousand shares for up to \$3.0 million over a 90 business days period.

At March 31, 2021, Asetek had working capital of \$28.6 million, of which \$24.1 million was cash and cash equivalents. Long-term debt totaled \$2.3 million

In March, Asetek announced its entrance into the fast-growing SimSports gaming market. To support and advance the development of its SimSports offering, Asetek has acquired intellectual property from Finland-based Granite Devices Inc as well as invested over \$10 million in software, hardware,

mechanical designs and operational proficiency when including the acquisition of UK-based JMH Gallows Pound Ltd, owner of the UltimateGameTech brand, in late 2020. Asetek anticipates the launch of new SimSports products in late 2021.

During the quarter, Asetek announced that Asetek liquid cooling is powering new high-performance product releases from two new Gaming and Enthusiast OEM partners; MSI introduced the SEA HAWK 240mm cooler for its GeForce RTX 30 Series graphics cards and the MPG CORELIQUID K Series premium CPU liquid coolers; and SAPPHIRE Technology released the TOXIC AMD Radeon RX 6900XT 360mm Hybrid GPU cooler.

There was no significant negative impact from the COVID-19 pandemic on revenue, supply chain or overall operations during the quarter.

On April 7, Due to strong demand for Gaming and Enthusiast products, the Company increased its outlook for 2021. Asetek expects revenue to increase by 20% to 30% from 2020, from the previous expectation of an increase in revenue of 10% to 20% year over year. Gross margin is anticipated to be lower than 2020. Management expects the Company to report operating income of between \$11 and \$16 million in 2021, partially reflecting increased overhead costs to facilitate growth, up from previous range of \$9 and \$15 million.

The Company recognizes uncertainty related to potential impact from COVID-19 over time. Any such uncertainty is not included in the expectations for 2021.

Conference call and webcast today Thursday, 22 April at 14:00 CEST:

CEO André Sloth Eriksen and CFO Peter Dam Madsen will present the Company's results at 14:00 CEST and invites 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: Please join the Q1 2021 results webcast via the following link: <https://edge.media-server.com/mmc/p/p43zqxqj>

Conference call – audio only: Please dial in 5-10 minutes prior using the phone numbers and confirmation code below:

Copenhagen, Denmark	+45 3272 0417
Oslo, Norway	+47 2156 3015
London, United Kingdom	+44 (0) 844 481 9752
Paris, France	+33 (0) 170 700 781
New York, United States of America	+1 646 7413 167
Confirmation code:	5559504

Material:

The first quarter report and presentation is available online at www.asetek.com (<https://ir.asetek.com/>) and www.newsweb.no, as well as through news agencies.

A recorded version of the presentation will be made available at www.asetek.com (<https://ir.asetek.com/>) approximately two hours after the presentation has concluded.

Q&A:

The conference call lines will be opened for participants to ask question at the end of the presentation. Questions can also be submitted through the online webcast during the presentation.

For questions or further information, please contact:

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

About Asetek:

Asetek, the creator of the all-in-one liquid cooler, is the global leader for liquid cooling solutions for high performance gaming and enthusiast PCs, and environmentally aware data centers. Founded in 2000, Asetek is headquartered in Denmark and has operations in China, Taiwan and the United States. Asetek

is listed on the Oslo Stock Exchange (ASTK.OL).

www.asetek.com