



Asetek – Update to Full Year 2021 Guidance

September 22, 2021 - Asetek today provides an update on the company's full year 2021 expectations, triggered by the effects of new and ongoing Covid-19 shut-downs in China disrupting Asetek's supply chain. The update also reflects wider supply chain challenges and non-recurring costs related to a sharpening of Asetek's Data center segment to improve profitability.

Asetek's operations have been affected by shut down in the Tongan District in China, hindering sub-suppliers' deliveries of components, and a challenging Covid-19 situation in Xiamen, hindering deliveries of components to Asetek's contract manufacturers and consequently their shipments to Asetek.

In addition to the new Covid-19 effects in China, continued components shortages and increasing logistics costs are affecting both Asetek and the company's customers and partners, leading to increased uncertainty related to sales and costs for the remainder of the year.

Coinciding with the Covid-19 effects in China and the wider supply chain challenges, Asetek has decided to sharpen its Data center business segment and exit the High Performing Computing (HPC) niche. The decision was taken to protect Asetek's future profitability from increasing HPC investment needs, lacking revenue from the HPC area and an upcoming milestone with an external HPC partner involving binding commitments. Asetek will prioritize the general data center market and support legislation increasing adoption of the company's sustainable data center solutions, capitalizing on the company's liquid cooling technology and long-term investments in the Data center business segment.

On August 12, Asetek announced its second quarter report with full year 2021 expectations including revenue growth of 20-30% compared with 2020 and an operating income of \$8-12 million.

Based on the current situation and outlook, Asetek's updated full year 2021 expectations are:

- * Group revenue growth of 10-20% compared with 2020

- * Operating income between \$0-2 million compared with \$11 million in 2020

The reduced operating income expectation is explained by reduced sales due to China lock-downs, increased shipping and component costs, as well as non-recurring costs of \$2.5 million associated with the sharpening of the Data center segment by exiting the HPC niche.

"The shut-downs, component shortages and shipping bottle necks are challenging the supply chains of both Asetek and our customers. This impacts our revenue and cost expectations. We have highlighted the risk related to Covid-19 and component shortages over time. As the situation now unfolds, we will adapt to the current environment, reduce spending and focus on delivering on the strong underlying demand we have experienced over time" Andre Sloth Eriksen, the CEO of Asetek says.

"Asetek has a clear strategy of profitable growth. Since our HPC area continue to burn cash and don't materialize meaningful returns, we decided to exit HPC. We maintain our long-term dedication and exposure to sustainable data centers with a focused approach, while improving our shorter-term profitability. The time was right to make a decision since we were facing a milestone with an external HPC partner involving binding commitments" Andre Sloth Eriksen adds.

Asetek will hold an investor conference call later today and will provide additional comments then and not before that. The company will report its third quarter results on October 28, 2021. Today's update is

based on new and currently available information, and the company will provide further updates on its business and outlook via interim reporting and other disclosure when relevant.

Investor conference call today Wednesday, September 22, 2021 at 4:30 PM CEST

CEO André Sloth Eriksen, COO John Hamill and CFO Peter Dam Madsen will hold a conference call and Q&A related to the updated full year 2021 expectations at 4:30 PM CEST today.

The conference call and Q&A session can be accessed by using the following link:

<https://streams.eventcdn.net/asetek/fy2021>

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).

This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act. This stock exchange release was published by Peter Dam Madsen, CFO at Asetek A/S, on September 22, 2021 at 12:45 CEST