Asetek A/S
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Denmark

Half Year Report

Second Quarter and Six Months Ended June 30, 2025

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Company Registration (CVR) Number 34 88 05 22

Highlights

- **Q2 revenue of $11.2 million, compared with $12.7 million in Q2 2024.**
- **Q2 gross margin of 45%, level with Q2 2024**
- **Q2 adjusted EBITDA of $82 thousand, compared with $239 thousand in Q2 2024**
- **Liquid Cooling revenue of $9.8 million, up from $8.6 million in Q1 2025 and compared with $11 million in Q2 2024**
- **SimSports revenue in line with expectations at $1.3 million following the U.S. import tariff announcements in April, compared with $1.7 million in Q2 2024**
- **First-half 2025 revenue of $21.0 million, and adjusted EBITDA of negative $0.2 million compared with $24.9 million and positive $0.2 million in first-half 2024, respectively**
- **Group revenue expectation for 2025 is maintained in the range of $45 to $53 million with adjusted EBITDA at 0% to 3%**

Key figures

Figures in USD (000's)	Q2 2025	Q2 2024	1H 2025	1H 2024	2024
Summary P&L:	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	
Revenue	11,210	12,743	21,042	24,920	52,502
Gross profit	5,021	5,780	9,365	11,122	21,945
Gross margin	*44.8%*	*45.4%*	*44.5%*	*44.6%*	*41.8%*
Operating income	(1,348)	(1,197)	(3,113)	(2,570)	(19,248)
Reconciliation from IFRS to EBITDA adjusted:					
Operating income			(3,113)	(2,570)	(19,248)
Add: Depreciation and amortization			2,606	2,615	5,446
Add: Share based compensation			283	157	282
Add: Special items*			-	-	13,791
EBITDA adjusted (unaudited)			(224)	202	271
Liquidity at period end:					
Working capital			11,302	(11,156)	4,362
Cash and equivalents			7,297	6,848	3,293
Long-term debt			19,866	660	19,201
Cash flow, excluding proceeds from equity transactions			(6,329)	(2,273)	(5,828)

**Special item in 2024 was a non-cash impairment charge as a consequence of an assessed impairment within the cash generating units.*

Summary

Financial results

- Asetek reported second-quarter revenue of $11.2 million compared with $12.7 million in the same period of 2024. First-half 2025 revenue was $21.0 million compared with $24.9 million in the first half of 2024. The change in both periods mainly reflects fewer shipments of liquid cooling products.
- Gross margin was level at 45% for both the second quarter and first half of 2025 and the respective periods of 2024.
- Adjusted EBITDA was $82 thousand in the second quarter of 2025, compared with $239 thousand in the second quarter of 2024. First-half 2025 adjusted EBITDA was negative $0.2 million, compared with positive $0.2 million in the same period of 2024.
- To strengthen the Company's financial position and enable continued investments in the SimSports segment, Asetek completed an equity rights offering in January, raising net proceeds of $10.3 million through the issuance of 219.9 million new common shares. During the first half of 2025, the Company invested $0.5 million in property and equipment and $1.4 million in capitalized costs for the development of new products. At June 30, 2025, Asetek had working capital of $11.3 million, including $7.3 million of cash and cash equivalents.

Operations

- In May, the Company announced the launch of Ingrid, a new platform-based liquid cooling solution engineered to deliver superior thermal performance, reduced acoustic footprint, and platform-level flexibility for both partners and PC builders. The Ingrid product line offers a newly engineered pump, smart thermal sensing, and a new level of B2B configurability not previously available in all-in-one coolers.
- In June, Asetek announced a new customer agreement with Antec, a global leader in high-performance computer components, marking the first delivery of mainstream liquid cooling products based on Asetek's new platform. The agreement includes Antec's new Vortex View AIO liquid cooler and deliveries are expected to begin in the fourth quarter of 2025.
- Asetek announced the launch of its Forte Formula Pro Steering Wheel, a fully customizable high-performance sim racing wheel that offers immersive display technology, precise input control, and lightweight durability.

Outlook

- In the second half of 2025, Asetek plans launches of new products in both Liquid Cooling and SimSports – including liquid cooling products designed for the mid-market. The initial mass-market sim racing products will launch this week at Gamescom in Cologne, Germany, and the first console-supported SimSports offering is expected in late 2025 or early 2026.
- The Group outlook is maintained at revenue of $45 to $53 million and adjusted EBITDA of 0% to 3% of revenue for 2025. The 2025 outlook reflects the expected impact on SimSports revenues from the tariffs implemented by the U.S. government on imports from other countries, most significantly related to products made in China.
- Asetek expects Liquid Cooling revenue growth to return in 2026 supported by the recent measures to strengthen management, new products widening the addressable market, focused commercial work yielding new customers and closer collaboration with the existing base.

Financial review

The figures below relate to the consolidated accounts for the second quarter and first half of 2025. The figures are unaudited.

Income Statement

Asetek reported total revenue of $11.2 million in the second quarter of 2025 compared with $12.7 million in the same period of 2024. Total revenue in the first half of 2025 was $21.0 million, compared with $24.9 million in the same period of 2024.

Sales unit volumes of sealed loop coolers for the second quarter of 2025 were 194,000 compared with 195,000 in the same period of 2024. Unit shipments for the first half were 365,000 compared with 367,000 in the first half of 2024. As expected, average selling price (ASP) per unit in both the second quarter ($50.36) and first half ($50.33) of 2025 decreased from the prior year periods ($56.59 and $57.26, respectively), due to a recent shift in demand toward lower cost cooling solutions.

Gross margin was level during the period, at 44.8% for the second quarter of 2025 compared with 45.4% in the same period of 2024. Gross margin for the first half of 2025 was 44.5% compared with 44.6% in the first half of 2024.

Total operating expense decreased 9% in both the second quarter and first half, when compared with the respective prior periods, due to the Company's cost reduction program initiated in the third quarter of 2024. Operating expense was $6.4 million in the second quarter of 2025 compared with $7.0 million in the same period of 2024. In the first half, operating expense was $12.5 million compared with $13.7 million in the same period of 2024.

Personnel costs decreased to $3.4 million and $6.7 million in the second quarter and first half of 2025 ($3.7 million and $7.4 million, in the respective periods of 2024), principally due to lower average headcount in 2025.

During the first half of 2025, the U.S. Dollar, on average, weakened by 11% versus the Danish krone. Finance income included net foreign exchange losses of $0.3 million and $0.4 million in the second quarter and first half of 2025 (net foreign exchange gains of $0.3 million and $0.9 million in the respective periods of 2024).

Asetek reported a loss before tax of $1.9 million and $4.0 million in the second quarter and first half of 2025, compared with loss before tax of $0.9 million and $1.6 million for the respective periods of 2024.

Income tax benefit was $0.2 million in the second quarter and $49 thousand in the first half of 2025 compared with income tax expense of $1.8 million and $1.7 million in the respective periods of 2024. Income tax expense in the 2024 periods was a result of estimated lower realization of deferred tax assets.

Currency translation adjustment (CTA) of positive $3.5 million and positive $5.0 million is included in other comprehensive income for the second quarter and first half of 2025 (negative $0.3 million and negative $0.9 million in the second quarter and first half of 2024). The positive CTA adjustments in 2025 result from the 11% weakening of the U.S. dollar versus the Danish krone in the first half of 2025.

Balance Sheet

At June 30, 2025, Asetek's total assets were $88.6 million, compared with $79.4 million at the end of 2024.

In the first half of 2025, Property, plant and equipment increased by $4.5 million principally due to weakening of the U.S. dollar, partly offset by depreciation. Cash increased by $4.0 million due to an equity rights offering by the Company in January 2025 which raised $10.3 million.

Total liabilities decreased by $2.5 million in the first half of 2025. Trade payables decreased by $1.7 million due to lower manufacturing volumes and accrued liabilities decreased by $1.1 million due to reduced personnel and other costs. Debt associated with the Company's recently constructed headquarters building increased by $0.9 million due to weakening of the U.S. dollar, partly offset by principal payments of net $1.8 million.

Working capital (current assets minus current liabilities) was $11.3 million at June 30, 2025, compared with $4.4 million at 2024 year-end. Total cash and cash equivalents were $7.3 million at June 30, 2025.

Cash Flow

Net cash used by operating activities was $3.8 million in the first half of 2025 compared with $0.6 million provided in the same period of 2024. The decrease was principally due to the first-half 2025 net loss and the paydown of trade payables and accrued liabilities in the first half of 2025.

Cash used by investing activities was $1.7 million in the first half of 2025 compared with $7.0 million used in same period of 2024. The reduction in usage in 2025 compared with 2024 is due to completion of construction of a new headquarters and R&D facility in the third quarter of 2024.

Cash provided by financing activities was $8.1 million in the first half of 2025 compared with $4.5 million provided in the same period of 2024. In January 2025, Asetek raised $10.3 million of net capital from a rights offering of new common shares.

Net change in cash and cash equivalents was an increase in cash of $4.0 million in the first half of 2025, compared with a decrease of $2.3 million in 2024. The Company's cash conversion cycle increased to 30 days in Q2 2025 from 22 days in the same period of 2024, principally from an increase in days inventory on hand due to lower sales.

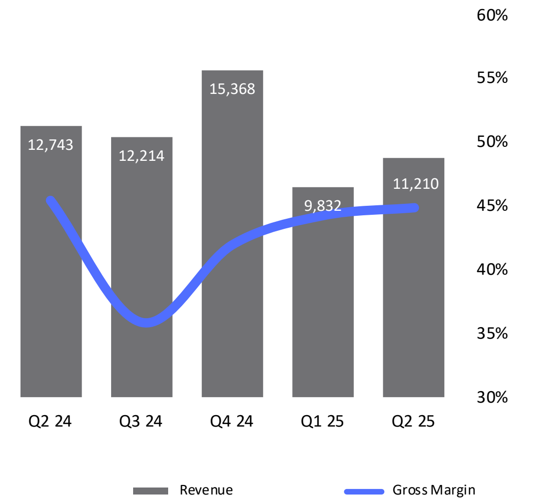
Income Tax

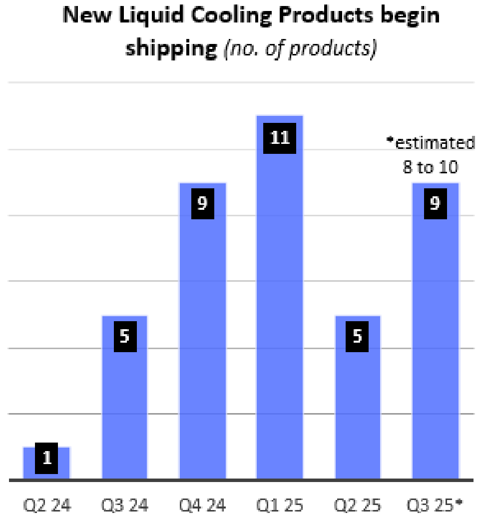
Asetek moved from USA to Denmark in 2013. However, USA – in a unilateral tax treaty override - still considers Asetek A/S a U.S. tax subject, resulting in double taxation of Parent earnings. Asetek has approached both countries' tax authorities with the aim of resolving the situation per an existing double taxation treaty. However, a determination may take several years, and the authorities are not obligated to resolve the problem. The Company continues to work with the tax authorities of Denmark and U.S. to possibly resolve this issue.

In June 2019, the U.S. released regulation for its Global Intangible Low-Taxed Income (GILTI) inclusion for U.S. taxation, effective beginning with tax year 2018. The GILTI regulation requires U.S. companies to report foreign corporation intangible income that exceeds 10% return on foreign invested assets. Under prior law, U.S. owners of foreign corporations were able to defer recognizing taxable income until there was a distribution of earnings back to U.S. owners. In 2024, The GILTI regulation caused net incremental tax liability of approximately $0.9 million. Because of Asetek's U.S. tax status as described above, management believes that the impact of the GILTI regulation as it applies to the Company could be reformed in the future; however, such reform is not certain. The Company continues to work with its tax advisors to clarify and address these matters.

Market Update

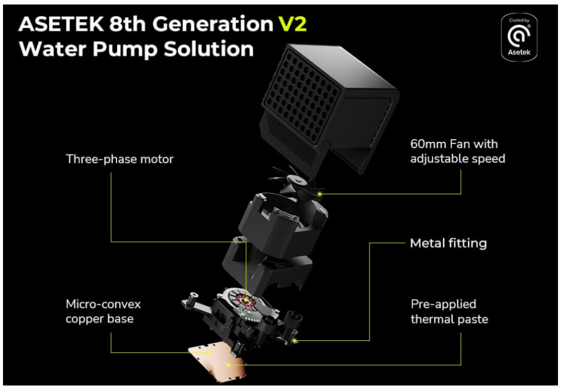
Group revenue and Gross margin development
USD (000's)





Liquid Cooling. In May, the Company announced the launch of Ingrid, a new platform-based liquid cooling solution engineered to deliver superior thermal performance, reduced acoustic footprint, and platform-level flexibility for both partners and PC builders. The Ingrid product line offers a newly engineered pump, smart thermal sensing, and a new level of B2B configurability not previously available in all-in-one coolers.

During the second quarter, five new liquid cooling products began shipping. In the third quarter of 2025, eight to ten new products are expected to begin shipping, including three which will be shipped by two separate new OEM customers.



Asetek's highest performance offerings now include Gen8 liquid cooling technology, which powers the ASUS RYUJIN III WB and TRYX Panorama coolers. This technology is the Company's newest and most advanced liquid cooling technology to date. Gen8 features a performance-engineered cold plate with a square design for maximum coverage, widely requested by PC enthusiasts. The new design is optimized for the latest AMD and Intel CPUs, and system enhancements enable even quieter operation compared with prior generations.

In addition to the continued development of the high-end offerings, Asetek is expanding its Liquid Cooling product range to include products for the mid-range market, aiming to capture a broader consumer base. This shift positions Asetek to meet the evolving needs of both premium and mid-market consumers.

A limited volume of mid-market coolers was successfully deployed in China as part of a local offering by a leading international OEM. In June, Asetek signed a new customer agreement with Antec, a global leader in high-performance computer components for the gaming, PC upgrade, and Do-It-Yourself markets. Antec is a previous customer returning to Asetek with initial deliveries of mid-market liquid cooling products in late 2025.

SimSports. In May, Asetek announced the launch of its Forte Formula Pro Steering Wheel, a fully customizable high-performance sim racing wheel that offers immersive display technology, precise input control, and lightweight durability. Asetek began shipping two new SimSports products in the quarter, the Invicta T.H.O.R.P II and Invicta S-Series T.H.O.R.P II hydraulic brake systems.

The Company expects to ship 16 new products in the third quarter, led by the entry-level Initium products for the sim racing mass-market. The competitive product line includes bundles of steering wheel, wheelbase, pedal set, cockpit and seat, offering high-value performance and quality to broader gaming segment. The Initium products offer an upgradable and flexible eco-system allowing for end-user customization. The Initium line is also the basis for the upcoming console-supported product.

In April, Asetek signed an agreement with a leading electronics retail chain in the Nordics making the new mass-market sim racing products available in stores in Sweden, Denmark, Norway, and Finland, as well as online.

SimSports revenue was $1.3 million and $2.5 million in the second quarter and first half of 2025 ($1.7 million and $3.9 million in the respective prior year periods).

Group Outlook

SimSports segment. The Company continues to develop its SimSports sales channels and distribution network, including offering its products on Amazon.com, while building the Asetek brand. The Company is planning to release its initial console-supported products in late 2025 or early 2026, with planned launches in U.S. and Europe.

In April, Asetek updated its revenue outlook for the SimSports segment for the full year 2025. Revenue for the SimSports business is expected to be in the range of $5 to $10 million, with gross margin expected to be in the range of 28-33%.

The tempered outlook mainly reflects the impact of tariffs announced by the U.S. government on imports from other countries, most significantly related to products made in China and Malaysia. In 2024, approximately 50% of total revenue in the SimSports segment was derived from sales to the U.S. market.

In 2024, approximately two-thirds of the Company's production was based in China and one-third in Malaysia. The sim racing products are currently made in China while manufacturing of liquid coolers is split between both countries. In response to tariffs on Chinese goods, Asetek began expanding its production capacity in Malaysia late last year. While the U.S. has also recently announced tariffs on goods imported from Malaysia, this geographic diversification provides Asetek with a relative advantage over competitors with greater exposure to China-based manufacturing.

Due to the tariffs, Asetek has ceased all SimSports shipments to the U.S. as well as major U.S.-based consumer electronics retailers have ceased purchasing from China, which effectively means that, at present, there are reduced levels of sales being made to the U.S. market. The full-year revenue guidance for the SimSports business segment also reflects the business unit's soft start to 2025.

Liquid Cooling segment. Recently there has been a shift in the liquid cooling market toward more affordable gaming PC's, which in turn increases the demand for cheaper liquid cooling options. This shift has impeded revenue growth in the Liquid Cooling segment, as Asetek has historically focused on the premium market. In 2025, the Company is expanding its product range to include products for the mid-range market, aiming to capture a broader consumer base. The Company anticipates full launch of its first offerings of mid-range liquid coolers in late 2025, via OEM partners such as Antec.

The outlook for the Liquid Cooling segment is maintained based on present discussions with the majority of the Company's key Liquid Cooling customers, who have confirmed that, at present, no changes are being made to their purchasing plans.

Given the high level of uncertainty, Asetek remains committed to maintaining regular and proactive communication with all customers to promptly identify and implement any necessary measures should conditions change. As a result, the Company's outlook for Liquid Cooling revenue in 2025 is maintained at approximately level with 2024. Liquid Cooling revenue in 2025 is projected to be in the range of $40 to $43 million.

Asetek maintains the expectation that the Liquid Cooling segment will return to revenue growth in 2026 based on the upcoming full launch of mid-market products with the main revenue impact from next year, and focused commercial work yielding new customers and closer collaboration with the existing base.

Additionally, the Company is experiencing an increasing customer recognition of Asetek's quality, established supply chain and full service offering in the current volatile market environment.

Group Summary. In total, group revenue for 2025 is expected to be in the range of $45 to $53 million, and adjusted EBITDA margin is expected to be in the range of 0–3%.

Intellectual Property

Asetek holds a portfolio of intellectual property (IP) rights including patents providing competitive advantages and high barriers to entry for competitors. As part of efforts to build and maintain its market share, Asetek continues to review and assess all competitive offerings for infringement of its patents. Asetek has strengthened its intellectual property platform and competitiveness via several positive lawsuit outcomes in prior years.

In the ordinary course of business, the Company is involved in various ongoing legal disputes, including the following matter:

On September 30, 2024, Cooler Master Co., Ltd. filed an *inter partes* review petition with the Patent Trial and Appeal Board (PTAB) of the U.S. Patent and Trademark Office to challenge the validity of Asetek's U.S. Patent No. 9,733,681. Asetek filed an opposition ("Patent Owner Response") to Cooler Master's petition, explaining flaws in the petition and requesting that the PTAB deny the petition. The PTAB agreed with Asetek and denied Cooler Master's petition. The PTAB's decision is not subject to appeal and thus is final.

Corporate Matters

As previously communicated in the prospectus, dated 2 December 2024, issued in connection with the rights issue at the end of 2024 and in Asetek's Q1 2025 report, dated 28 April 2025, Asetek has received an indication of interest concerning its Liquid Cooling business.

Further to this, Asetek has received certain additional indications of interest relating also to other potential strategic transactions involving the Company. The Company is engaged in discussions with relevant parties, which remain at a preliminary stage.

Discussions are ongoing and no definitive agreement in relation to any such potential transaction has been entered into, and there is no certainty that any such potential transaction will be completed. Further information will be announced when and if required.

The Company's annual general meeting was held on April 28, 2025, where the following matters occurred or were reported:

- The Annual Report 2024, as proposed by the Board of Directors, was approved as published.
- The proposed remuneration to be paid to the members of the Board of Directors was adopted.
- The Board of Directors on April 28, 2025 was comprised of Chairman Søren Klarskov Vilby, Vice Chairman Jakob Have, Lars Kristensen, Lasse Dannulat and Dennis Nymann.
- Mr. Dennis Nymann is Chairman of the Audit Committee and Mr. Søren Klarskov Vilby is Chairman of the Remuneration Committee.
- The Nomination Committee is comprised of Chairman Jakob Have, Søren Klarskov Vilby and Lars Kristensen.

- The Board of Directors was authorized to acquire the Company's own shares.
- PricewaterhouseCoopers, State Authorized Public Accountants, were re-elected as auditors.
- Changes to the Articles of Association that were proposed in the general meeting notification were adopted.

Risk Factors

Asetek's revenue is subject to fluctuations and is dependent on its ability to develop new, high-performance products that meet customer demands; the popularity of offerings from Asetek's customers; timely releases and availability of new GPUs and CPUs; and recurring releases of high-profile computer games in the PC industry.

In the first half of 2025, two customers accounted for 24% and 10% of total revenue (35% and 20% in the first half of 2024). In the event of a decline or loss of significant customers, replacement of the revenue stream would be difficult for Asetek to achieve in the short term. The Company is actively working with several of its customers to grow their respective market shares and order volumes.

The Company's SimSports business segment released its first products to the market in March 2022 and has required significant investment in product development and marketing to fulfill its operating plan.

The U.S. imposes tariffs on imports of goods manufactured in China and Malaysia. Asetek liquid coolers produced in China have been subject to a 25% tariff for the past several years and tariff rates are increasing. Beginning in August 2025, goods produced in Malaysia imported to the U.S. are subject to a 19% tariff. The U.S. tariff situation is volatile and subject to change. In 2024, approximately 50% of SimSports revenue was derived from the U.S. market. Due to the tariffs, Asetek has ceased SimSports shipments to the U.S. as well as major U.S.-based consumer electronics retailers have ceased purchasing from China, which has reduced sales to the U.S. market. This has negatively impacted projected revenue.

Asetek relies upon suppliers and partners to supply products and services at competitive prices. Supply constraints, such as a global chip shortage or disruptions in the global supply chain, can have a material adverse impact on the Company's ability to fulfill customer demand. Asetek's Liquid Cooling products have been historically assembled in Xiamen, China by a single contract manufacturer. In 2023, the Company began manufacturing at an additional site in Malaysia, operated by the same contract manufacturer. In the event of a disruption with this manufacturer, it would be difficult for Asetek to establish a replacement in the short term.

Asetek has filed and defended lawsuits against competitors for patent infringement. While some of the cases have been settled or dismissed, some may continue, and new cases may be initiated. Such cases may proceed for an extended period and could potentially lead to an unfavorable outcome to Asetek. In the past, Asetek has incurred significant legal costs associated with litigation and may do so in the future to the extent management believes it is necessary to protect intellectual property.

Asetek moved from USA to Denmark in 2013. However, USA still considers Asetek A/S a U.S. tax subject, resulting in double taxation of Parent earnings. Asetek has approached both countries' tax authorities with the aim of resolving the situation per the double taxation treaty. However, the authorities are not obligated to resolve it. Also, recent U.S. regulations on taxation of foreign earnings impact Asetek's tax liability. Asetek is working with its advisors to address these matters.

Asetek operates internationally in Denmark, USA, China, Malaysia and Taiwan and is subject to foreign exchange risk. Asetek's principal cash holdings are maintained in U.S. Dollar and Danish Krone.

For more information, refer to the Company's 2024 Prospectus and the Company's Annual Report for 2024, available at the Company's website: www.asetek.com

Condensed Interim Financial Statements

Consolidated Statement of Comprehensive Income

Figures in USD (000's)		1H 2025		1H 2024		2024
		Unaudited		*Unaudited*		
Revenue	$	21,042	$	24,920	$	52,502
Cost of sales		11,677		13,798		30,557
Gross profit		9,365		11,122		21,945
Research and development		4,020		4,084		8,295
Selling, general and administrative		8,458		9,608		19,107
Special items		-		-		13,791
Total operating expenses		12,478		13,692		41,193
Operating income (loss)		(3,113)		(2,570)		(19,248)
Foreign exchange (loss) gain		(360)		940		1,444
Finance income (costs)		(558)		(4)		(413)
Total financial income (expenses)		(918)		936		1,031
Income before tax		(4,031)		(1,634)		(18,217)
Income tax (expense) benefit		49		(1,658)		(5,719)
Income (loss) for the period		(3,982)		(3,292)		(23,936)
Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:						
Foreign currency translation adjustments		5,022		(866)		(1,337)
Total comprehensive income (loss)	$	1,040	$	(4,158)	$	(25,273)
Income per share (in USD):						
Basic	$	(0.01)	$	(0.03)	$	(0.25)
Diluted	$	(0.01)	$	(0.03)	$	(0.25)

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

Figures in USD (000's)		30 Jun 2025		31 Dec 2024
ASSETS				
Non-current assets				
Intangible assets	$	11,797	$	10,943
Property, plant and equipment		49,516		44,992
Other assets		42		39
Total non-current assets		61,355		55,974
Current assets				
Inventory		8,275		6,604
Trade and other receivables		11,640		13,492
Cash and cash equivalents		7,297		3,293
Total current assets		27,212		23,389
Total assets	$	88,567	$	79,363
EQUITY AND LIABILITIES				
Equity				
Share capital	$	4,552	$	1,478
Retained earnings		55,935		52,375
Translation and treasury share reserves		(7,696)		(12,718)
Total equity		52,791		41,135
Non-current liabilities				
Long-term debt		19,866		19,201
Total non-current liabilities		19,866		19,201
Current liabilities				
Short-term debt		2,578		2,860
Accrued liabilities		1,487		2,646
Accrued compensation & employee benefits		1,261		1,250
Trade payables		10,584		12,271
Total current liabilities		15,910		19,027
Total liabilities		35,776		38,228
Total equity and liabilities	$	88,567	$	79,363

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Unaudited

Figures in USD (000's)	Share capital	Share premium	Translation reserves	Treasury share reserves	Retained earnings	Total
Equity at January 1, 2025	$ 1,478	$ -	$ (1,512)	$ (11,206)	$ 52,375	$ 41,135
Total comprehensive income - six months ended June 30, 2025						
Income for the period	-	-	-	-	(3,982)	(3,982)
Foreign currency translation adjustments	-	-	5,022	-	-	5,022
Total comprehensive income - six months ended June 30, 2025	-	-	5,022	-	(3,982)	1,040
Transactions with owners - six months ended June 30, 2025						
Shares issued in rights offering, net of issuance costs	3,074	7,259	-	-	-	10,333
Transfer	-	(7,259)	-	-	7,259	-
Share based payment expense	-	-	-	-	283	283
Transactions with owners - six months ended June 30, 2025	3,074	-	-	-	7,542	10,616
Equity at June 30, 2025	$ 4,552	$ -	$ 3,510	$ (11,206)	$ 55,935	$ 52,791

Figures in USD (000's)	Share capital	Share premium	Translation reserves	Treasury share reserves	Retained earnings	Total
Equity at January 1, 2024	$ 1,478	$ -	$ (175)	$ (11,206)	$ 76,029	$ 66,126
Total comprehensive income - six months ended June 30, 2024						
Income for the period	-	-	-	-	(3,292)	(3,292)
Foreign currency translation adjustments	-	-	(866)	-	-	(866)
Total comprehensive income - six months ended June 30, 2024	-	-	(866)	-	(3,292)	(4,158)
Transactions with owners - six months ended June 30, 2024						
Share based payment expense	-	-	-	-	157	157
Transactions with owners - six months ended June 30, 2024	-	-	-	-	157	157
Equity at June 30, 2024	$ 1,478	$ -	$ (1,041)	$ (11,206)	$ 72,894	$ 62,125

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

Figures in USD (000's)	1H 2025 *Unaudited*	1H 2024 *Unaudited*	2024
Cash flows from operating activities			
Income for the period	$ (3,982)	$ (3,292)	$ (23,936)
Depreciation and amortization	2,606	2,615	5,446
Impairment of property, plant and equipment	-	-	13,791
Impairment of intangible assets	5	18	211
Finance income recognized	(15)	(68)	(99)
Finance costs recognized	573	633	1,494
Finance income, cash received	15	68	99
Finance costs, cash paid	(558)	(618)	(1,472)
Impairment of deferred tax assets	-	-	4,209
Income tax expense (benefit)	(49)	1,658	1,510
Cash receipt (payment) for income tax	(185)	(67)	(1,480)
Share based payments expense	283	157	282
Changes in trade receivables, inventories, other assets	1,975	2,049	1,836
Changes in trade payables and accrued liabilities	(4,505)	(2,514)	(678)
Net cash provided by (used in) operating activities	(3,837)	639	1,213
Cash flows from investing activities			
Additions to intangible assets	(1,388)	(1,114)	(2,320)
Purchase of property, plant and equipment	(475)	(5,840)	(7,823)
Disposal of property, plant and equipment	150	-	47
Net cash used in investing activities	(1,713)	(6,954)	(10,096)
Cash flows from financing activities			
Borrowings (repayment) on line of credit	(1,845)	5,061	5,759
Net proceeds from issuance of share capital	12,296	-	-
Costs incurred for issuance of share capital	(1,963)	-	-
Financing of previously purchased equipment	-	-	171
Principal payments on equipment financing	(161)	(121)	(262)
Principal payments on leases	(247)	(392)	(709)
Net cash provided by (used in) financing activities	8,080	4,548	4,959
Effect of exchange rate changes on cash and cash equivalents	1,474	(506)	(1,904)
Net changes in cash and cash equivalents	4,004	(2,273)	(5,828)
Cash and cash equivalents at beginning of period	3,293	9,121	9,121
Cash and cash equivalents at end of period	$ 7,297	$ 6,848	$ 3,293
Supplemental disclosures -			
Assets acquired under leases	$ 230	$ 152	$ 152

These financial statements should be read in conjunction with the accompanying notes.

Notes to the interim financial statements

1. General information

Asetek A/S ('the Company'), and its subsidiaries (together, 'Asetek Group', 'the Group' or 'Asetek') designs, develops and markets gaming hardware for computers. The Group's core products utilize liquid cooling technology to provide improved performance, acoustics and energy efficiency. The Company is based in Svenstrup, Denmark with operations in USA, China and Taiwan. The Company's shares trade on the Nasdaq Copenhagen Exchange under the symbol 'ASTK'.

These condensed consolidated financial statements for the first half ended June 30, 2025 have been prepared on a historical cost convention in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting' as adopted by the European Union (EU) and do not include all of the information and disclosure required in the annual consolidated financial statements. These statements should be read in conjunction with the Asetek A/S 2024 Annual Report.

The accounting policies adopted in preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024.

The Group operates in an industry where seasonal or cyclical variations in total sales are not normally experienced during the financial year.

2. Impairment

In October 2024, management identified external indicators of impairment to the Company's net asset book value. In performing an impairment test, management measured the net book value of equity for the Group against the net present value of future prospective cash flows. As a result, in Q4 2024, the Company applied impairment of $13.8 million to the Group's headquarters building and $4.2 million to deferred tax assets. In performing the impairment test, the Company used various key assumptions in estimating future cash flows (Refer to Notes 2.22 and 14 to the 2024 consolidated financial statements). At June 30, 2025, management did not identify further impairment indicators. However, if circumstances change indicating revised assumptions are required in the projection of future cash flows, additional impairment charges may be recognized in the future.

3. Shareholders' equity

On January 6, 2025, the Company issued 219,925,366 new shares in a rights offering, raising net proceeds of $10.3 million after deduction of total issuance costs of $2.0 million. The shares were issued through an offering to then-existing shareholders to purchase three common shares for each share held at a price of DKK 0.40 per share. The transaction meets the requirements for exemption from accounting for derivative financial instruments per IAS 32 Financial Instruments Presentation. At June 30, 2025, there were 318,239,258 common shares issued including 1,256,115 shares held in treasury. Treasury shares may be used to fulfill employee options as they are exercised.

On January 27, 2025, the Company granted to senior management 15.5 million options with an exercise price of DKK 0.43 per share and estimated fair value of $0.7 million. Also on January 27, 2025, the Company reduced the exercise prices by 51% on all then-outstanding options (4.1 million).

On April 28, 2025, the Company granted to members of management 3.1 million options with an exercise price of DKK 0.77 per share and estimated fair value of $0.3 million. Also on April 28, 2025, the Company granted 173,533 restricted stock units (RSU's) to senior management employees having an estimated fair value of $20,000. The RSU's will mature three years following the grant date. At June 30, 2025, there were a total of 22.9 million options and RSU's outstanding.

4. Intangible assets

The Group's business includes a significant element of research and development activity. Under IAS 38, there is a requirement to capitalize and amortize development spend to match costs to expected benefits from projects deemed to be commercially viable. Costs capitalized are recorded on the balance sheet as intangible assets, net of amortization. A reconciliation of intangible assets in the first half of 2025 and 2024 is as follows:

Intangible assets

Unaudited, USD (000's)	1H 2025	1H 2024
Balance, January 1	10,943	12,050
Additions to capitalized development costs	1,388	1,114
Amortization	(855)	(1,470)
Impairment loss	(5)	(18)
Exchange rate effects and other	326	(213)
Balance, June 30	11,797	11,463

5. Property, plant and equipment and debt

Property plant and equipment, net (PP&E) totaled $49.5 million at June 30, 2025 compared with $45.0 million at December 31, 2024. Additions to PP&E in the first half of 2025 totaled $0.7 million. The increase in PP&E resulted principally from the 11% weakening of the U.S. dollar versus the Danish krone in the 1st half of 2025.

A summary of the Company's net debt as of the balance sheet date is as follows:

Net debt

USD (000's)	30 Jun 2025	30 Jun 2024
Line of credit, due within one year	(2,043)	(21,156)
Equipment financing - due within one year	(343)	(261)
Leases - amounts due within one year	(192)	(599)
Debt included in current liabilities	(2,578)	(22,016)
Line of credit, due after one year	(19,384)	-
Equipment financing - due after one year	(473)	(613)
Leases - amounts due after one year	(9)	(47)
Total Debt	(22,444)	(22,676)
Less cash and cash equivalents	7,297	6,848
Net Debt	(15,147)	(15,828)

6. Earnings (losses) per share

IAS 33 requires disclosure of basic and diluted earnings per share for entities whose shares are publicly traded. Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the number of common shares outstanding used in the Basic calculation for the effect of dilutive equity instruments, which include options and warrants to the extent their inclusion in the calculation would be dilutive.

First Half

Unaudited, USD (000's)	1H 2025	1H 2024
Income attributable to equity holders of the Company (USD 000's)	$ (3,982)	$ (3,292)
Weighted average number of common shares outstanding (000's)	310,195	112,199
Basic and diluted income per share	$ (0.01)	$ (0.03)

7. Transactions with related parties

The Company's CEO serves as Chairman of the Board for a vendor that supplies information technology services to the Company. In the first six months of 2025, the Group purchased services totaling approximately $424,000 ($502,000 in first six months of 2024) from this vendor. At June 30, 2025 and 2024, the Group had outstanding payables to this vendor of $58,000 and $68,000 respectively.

The Company has entered into a contingent transaction bonus agreement with executive management in connection with a potential transaction.

8. Deferred income tax

The Company recognizes deferred income tax assets only to the extent that the realization of the tax benefit to offset future tax liabilities is considered to be probable. At June 30, 2025, based on the Company outlook, the likelihood of realization of its deferred tax assets is considered by management to be temporarily not probable, resulting in a 100% reserve of the assets. The Company will continue to assess the future realizability, and to the extent that Management considers the utilization probable, will record deferred tax assets as appropriate.

9. Segment information

The Company reports on two segments: Liquid cooling and SimSports. Data center results were not material for all periods presented. The Group's chief operating decision-maker, the CEO, assesses the performance of each segment principally on measures of revenue and adjusted EBITDA. The following tables present unaudited results by operating segment and disaggregation of revenue.

First Half

Figures in USD (000's)	Liquid cooling		SimSports	
	1H 2025	1H 2024	1H 2025	1H 2024
Revenue	18,348	21,015	2,472	3,905
Cost of sales	9,960	10,853	1,717	2,945
Gross Profit	8,388	10,162	755	960
Gross Margin	*45.7%*	*48.4%*	*30.5%*	*24.6%*
Total operating expenses	2,835	3,426	4,745	5,620
EBITDA, adjusted	5,553	6,736	(3,990)	(4,660)
EBITDA margin	30.3%	32.1%	-232.4%	-158.2%

Reconciliation to Income before tax

Figures in USD (000's)	1H 2025	1H 2024
EBITDA, adjusted - Liquid cooling	5,553	6,736
EBITDA, adjusted - Data center	-	-
EBITDA, adjusted - SimSports	(3,990)	(4,660)
Office lease income	222	-
Headquarters costs, net	(2,009)	(1,874)
Share based compensation	(283)	(157)
Depreciation and amortization	(2,606)	(2,615)
Total financial income (expenses)	(918)	936
Consolidated income before tax	(4,031)	(1,634)

Revenue Disaggregation:

Figures in USD (000's)	1H 2025	1H 2024
OEMs and System Integrators	18,498	21,007
Retailers (mainly SimSports)	1,212	2,196
Direct to customer (mainly SimSports)	1,332	1,717
Total revenue	21,042	24,920

Statement by the Board of Directors and Management

The Board of Directors and the Management have considered and adopted the Interim Report of Asetek A/S for the period 1 January – 30 June 2025. The Interim Report is presented in accordance with the International Accounting Standard IAS 34 on Interim Financial Reporting and additional Danish disclosure requirements. The accounting policies applied in the Interim Report are unchanged from those applied in the Group's Annual Report for 2024.

We consider the accounting policies appropriate, the accounting estimates reasonable and the overall presentation of the Interim Report adequate. Accordingly, we believe that the Interim Report gives a true and fair view of Asetek's consolidated financial position, results of operations and cash flows for the period.

In our opinion, the Interim Report includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty facing Asetek, which are described in further detail in the Company's 2024 Prospectus and Annual Report for 2024. The Interim Report has not been audited or reviewed by the auditors.

Asetek A/S
Aalborg, 19 August 2025

Management:

André S. Eriksen
CEO

Peter Dam Madsen
CFO

Board of Directors:

Søren Klarskov Vilby
Chairman

Jakob Have
Vice chairman

Lars Kristensen
Member

Lasse Dannulat
Member

Dennis Nymann
Member

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