

# Long-term growth and market expansion

Capital Markets Update | 4 March 2021



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Sum-up and Q&A



# Continued growth and market expansion

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Strategy update and long-term ambitions  
André Sloth Eriksen, CEO

# 2020: Our best year ever

## Financial results

- Record revenue, gross margin and EBITDA despite losing the biggest customer
- 34% revenue growth confirming ability to scale

## Operational performance

- Adapting to and managing COVID-19
- All-time-high launch of new Gaming and Enthusiast products
- Increased activity with new Data Center OEM customers

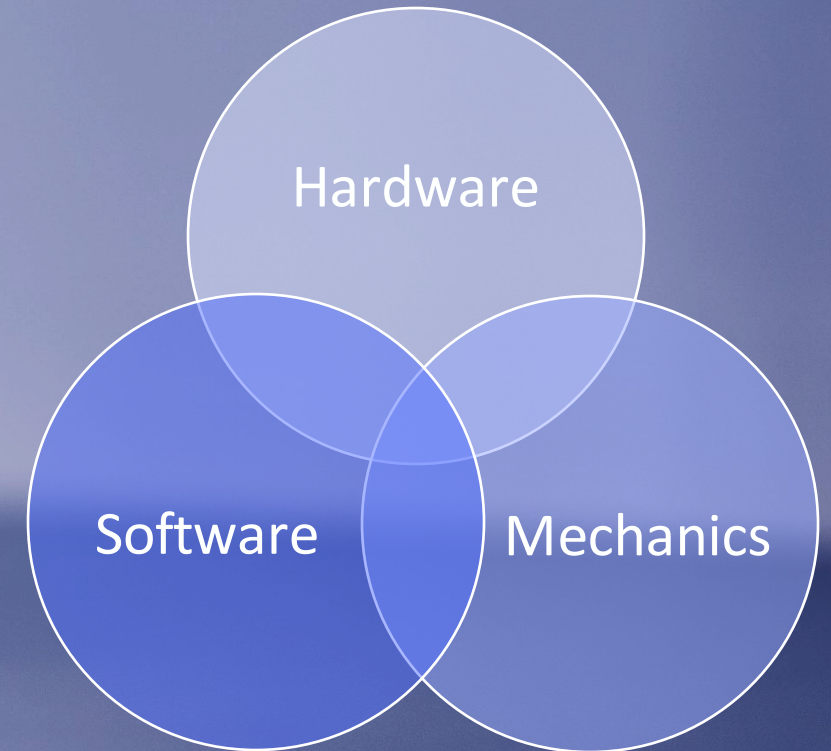
## Entering new market

- Identifying and expanding into a new gaming market - SimSports
- Fully leveraging Asetek's core capabilities
- Adding robustness to business model and long-term growth potential
- Well underway with two M&A deals and a strong, dedicated team developing products



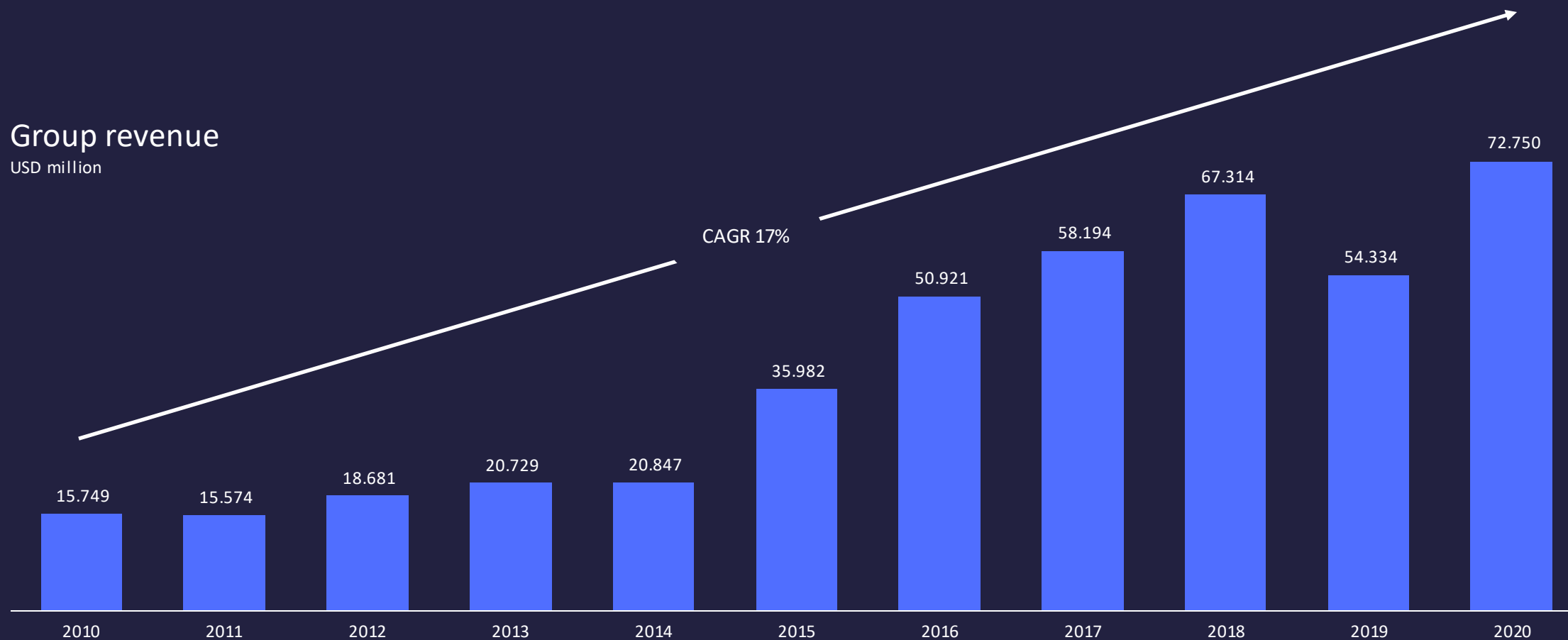
The global leader in liquid cooling solutions for gaming and enthusiast PCs, data centers and servers...

...founded on innovation and extensive mechatronics capabilities



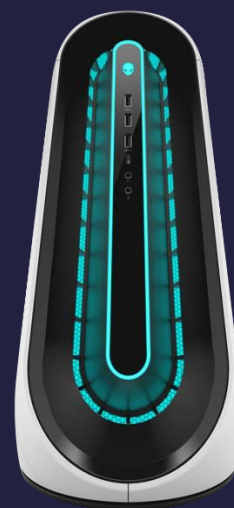
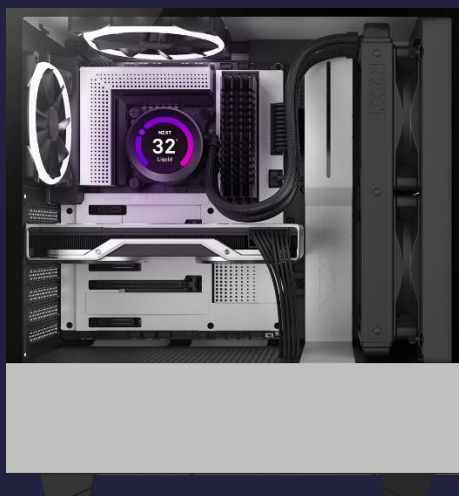
# Enablers for long-term growth and profitability

Group revenue  
USD million



# Our leading and innovative business segments

Gaming and Enthusiast



Data center



Enthusiasts and do-it-yourself (DIY)

Gaming/Performance PCs

Data center

OEMs<sup>1</sup>





# ...driving adoption of our liquid cooling solutions

## Asetek liquid cooling units shipped

Cumulative total number of units

“By combining high clockspeeds with liquid cooling options from renowned technology leaders like Asetek, enthusiasts are able to unlock the true potential of their AMD Ryzen system.”

- Chris Kilburn, CVP and GM, AMD

“With Asetek’s very latest liquid cooling technology, the XPG LEVANTE 360 cooler combines the best CPU cooling available, superior acoustic performance and the quality and reliability synonymous with Asetek technology.”

- Alex Yin, CGO & GM XPG



# Global platform with integrated value chain supports growth and expansion



Strategic position: Large and long-term growing markets | Supplying global brands | Market-leading solutions

IP platform: Applications | Technology | Systems | Products | Patents | High-volume manufacturing | World wide hub infrastructure

8 million units shipped | ~120 employees | FY'20 revenue of USD 73m | Listed on Oslo Børs

# Strengthening the business model and long-term growth potential



- The global leader in liquid cooling solutions for gaming and enthusiast PCs, data centers and servers
- Strengthened ties to gaming community via co-branding and Asetek eSports Academy



- Identifying the next step in Asetek's development
- Establish platform for continued long-term strong growth and solid margins
- A more robust business not dependent on one single technology
- Leverage existing capabilities including global supply chain
- Potential for innovation and consolidation

# Entering fast-growing SimSports gaming market

- Transforming from niche towards mainstream gaming and entertainment
- Opportunity identified within Asetek eSports Academy and racing engagement
- Highly complementary to established mechatronics capabilities
- Investments made in IP, hardware and software
- Enabling faster go-to-market with launch of new products from late 2021
- Strengthening Gaming and Enthusiast product offering

SPORTS / AUTO RACING

## Grand Prix: The line between video games and racing isn't blurring. It's disappearing.

Thanks to drivers like IndyCar's Sage Karam, pavement and pixels have become a two-way street.



iRacing has boosted NASCAR during the pandemic. Now esports may help shape racing's future.



**Gran Turismo Sport Reaches 9.5 Million Players**





# Acquisitions of IP shortening time to market

- Support the development of the SimSports product offering
  - Includes gaming software, technology, consultancy, hardware and mechanical designs
- IP from Finland-based Granite Devices Inc.
  - Total consideration of \$8.3 million
  - Of which 50% was paid in 348,003 newly issued shares on 4 January 2021
- Gaming hardware and software technology from UK-based UltimateGameTech
  - Total cash consideration of approximately \$1.4 million



# Strong strategic fit with Gaming and Enthusiasts segment...

Gaming and Enthusiast

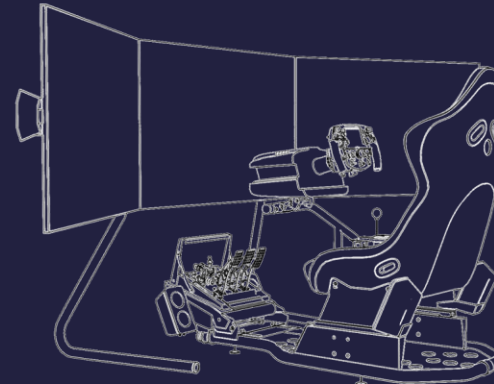
Data center



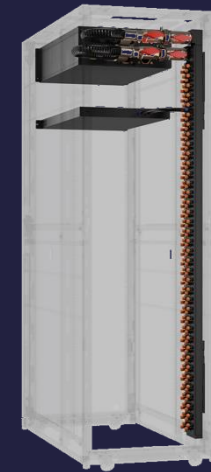
Enthusiasts and  
do-it-yourself (DIY)



Gaming/Performance  
PCs



SimSports



Enterprise

Competitive and committed gamers and enthusiasts

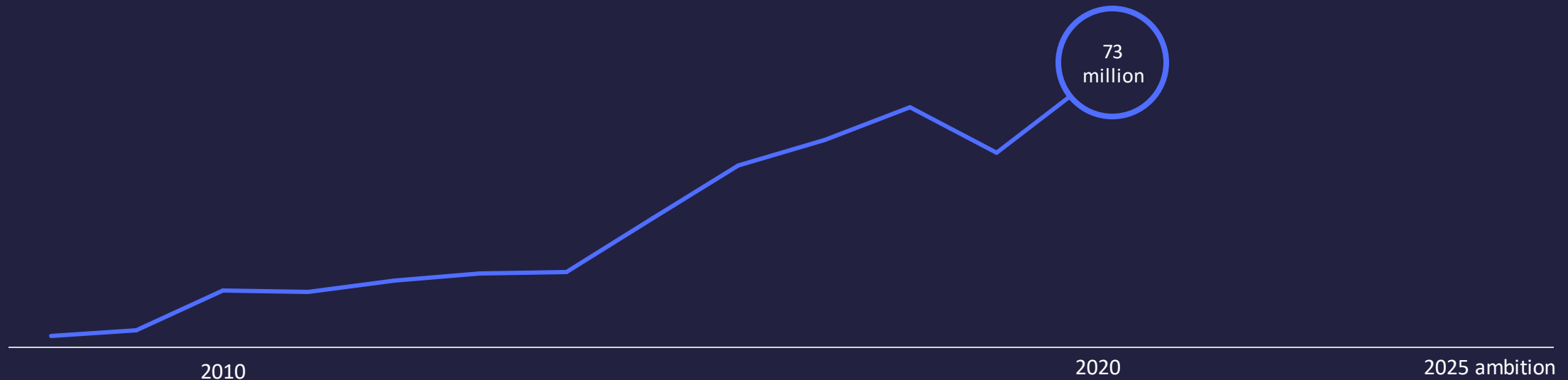
# ..adding extra momentum to long-term growth opportunity

Annual Group revenue  
USD million

“What I hope to achieve in the coming years is to create a business that will grow to at least the same size as our water cooling concept.”

- André S. Eriksen, CEO at Asetek

Growth  
~15% p.a.  
to \$150  
million



# Levelling-up from a leading Gaming and Enthusiast cooling position

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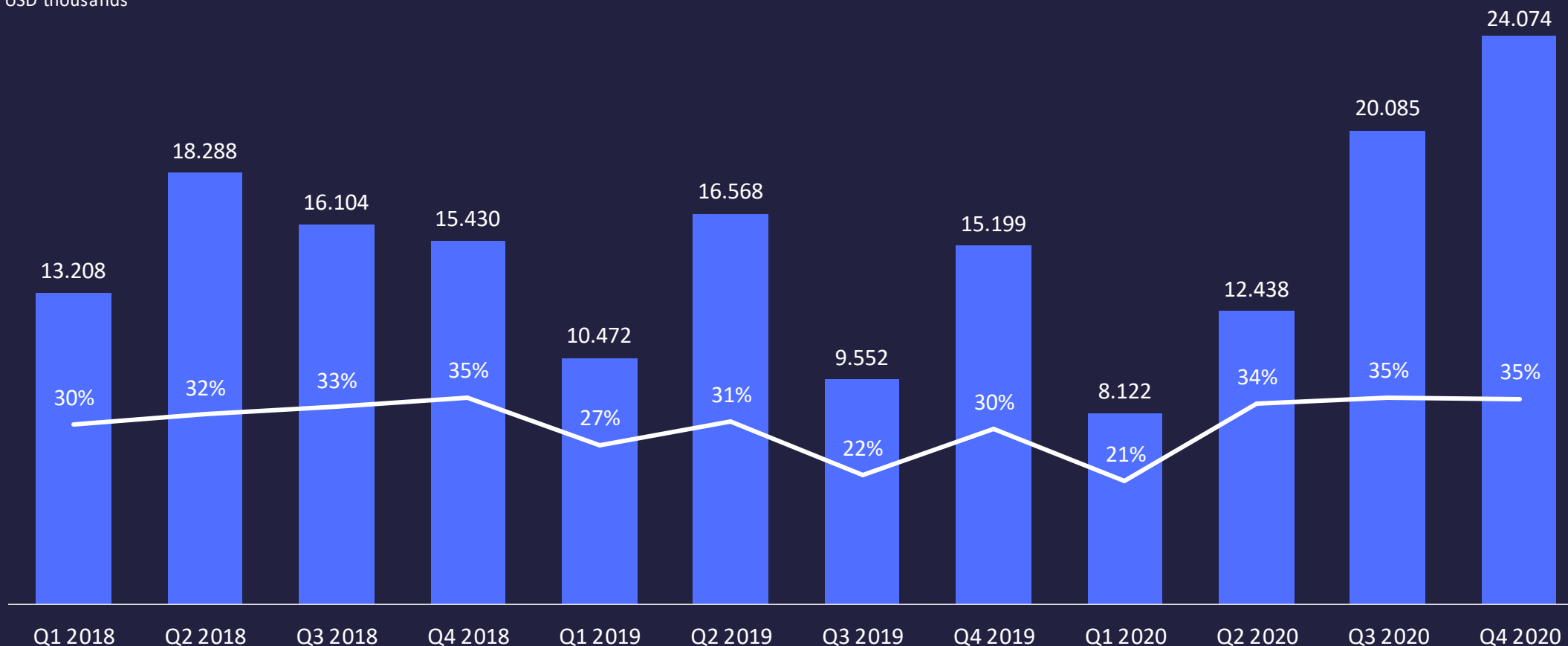
Further developing market leadership  
John Hamill, COO



# Strong revenue and margin development in a well-established Gaming and Enthusiast segment

## Revenue and EBITDA margin

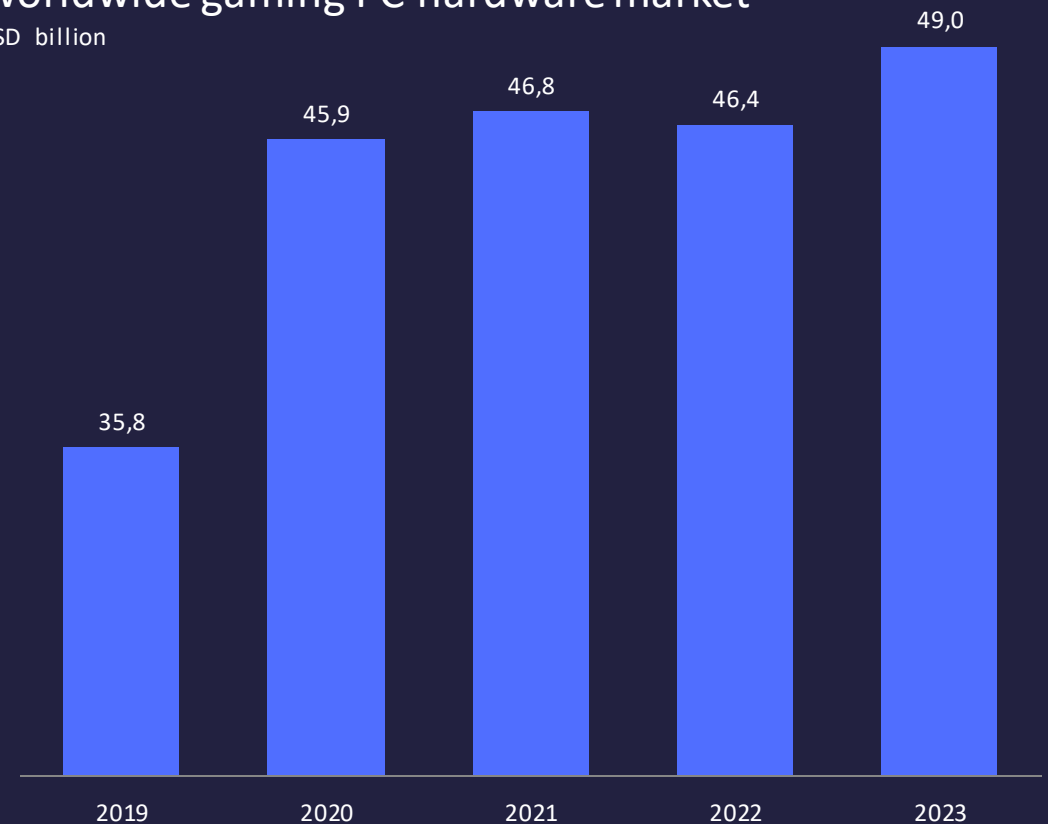
USD thousands



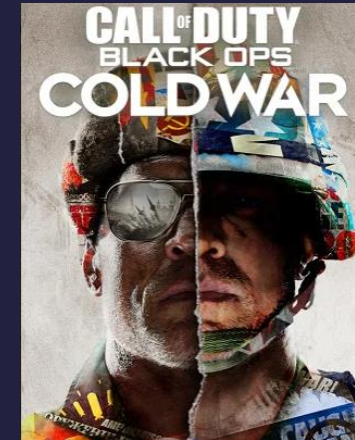
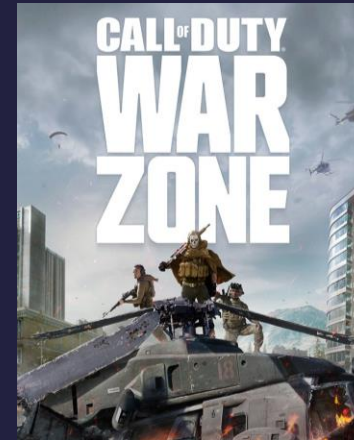
# New games and software adding momentum hardware demand and innovation

- Entire hardware and software industry affected by COVID-19
- People spending more time and money on gaming during extended stay-at-home
- Gaming and desire for immersive experiences drive demand for performance
- Triggered by new CPU/GPUs and software updates
- Liquid cooling enables high performance and stability

Worldwide gaming PC hardware market<sup>1</sup>  
USD billion

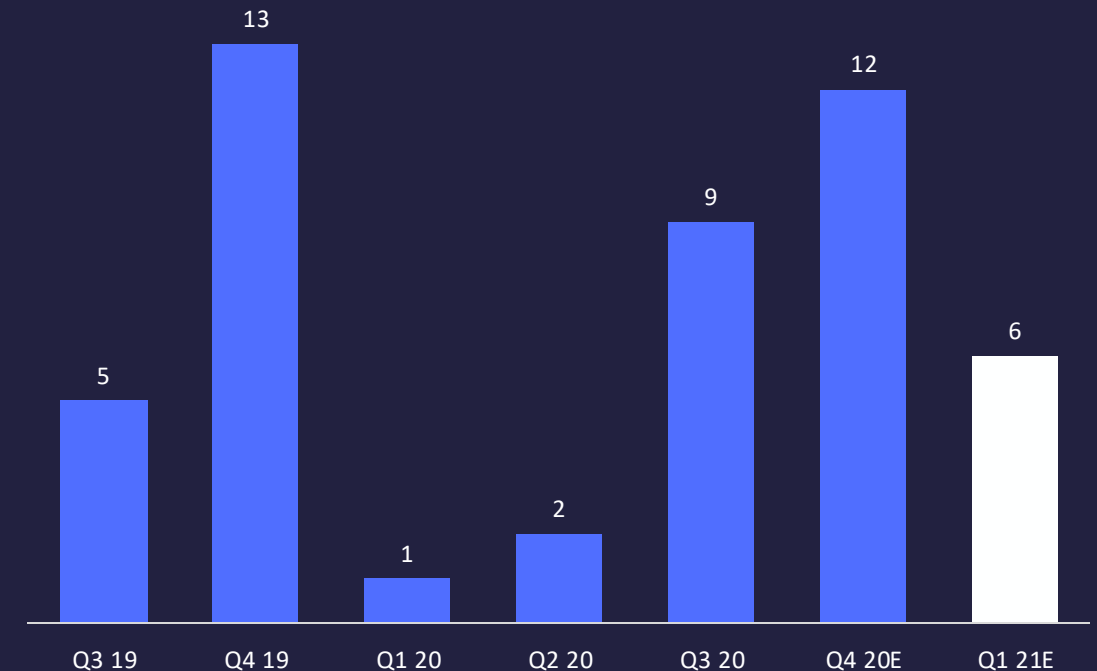


# Technology advances an important driver for liquid cooling demand



# High product release activity in late 2020 and into 2021

- 12 new products started shipping in Q4
  - 1 to a new DIY customer
  - 1 new OEM customer
  - 3 to liquid cooling for high performance GPUs
- 6 new products expected to start shipping in Q1 2021
- Further investment in product development and branding to expand reach with key customers
  - Brand-behind-the-brand initiatives
  - Asetek featured on partners' websites and SoMe
  - Strong product development with performance, quality and reliability at core





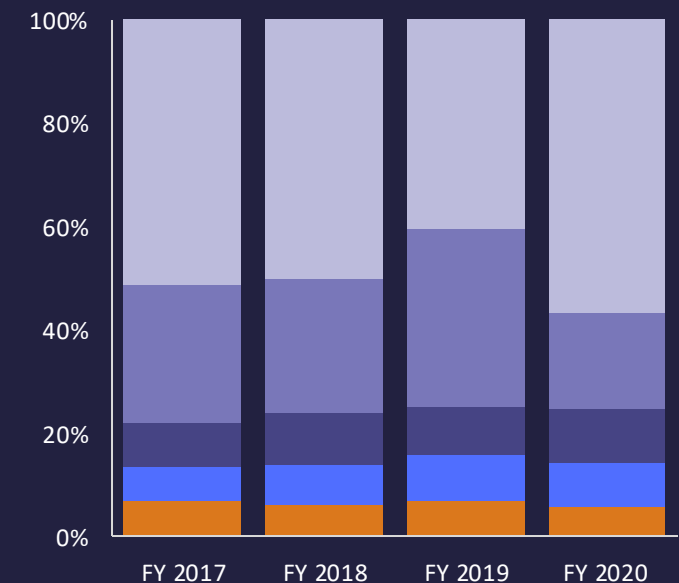
# Widening and diversifying base of Gaming and Enthusiast OEMs

- Currently shipping to over 20 OEMs
- Top five represent 81% of Gaming and Enthusiast revenue 2020, unchanged from 2019
- Ambition to increase diversification with time
- Continuous monitoring and assessment of IP

Top 5 Gaming and Enthusiast customers<sup>1</sup>



Top 5 customers revenue split <sup>2)</sup>



# Building a brand with gamers and enthusiasts

- Maintaining market leadership as provider of high-end liquid cooling products at premium price points
- Developing eSport Academy to identify and engage with latest gaming trends
- Capitalizing on opportunities identified within eSports Academy
- Engaging in both real- and sim racing as they converge, and lines between reality and simulation blurs



# Gaming and Enthusiast strategic development

Goal	Strategy	Development and outlook
<b>Further develop leadership in the gaming and enthusiast liquid cooling market</b>	<ul style="list-style-type: none"><li>• R&amp;D and product development</li><li>• Growing existing customers</li><li>• Widening OEM customer base</li><li>• Branding and marketing</li></ul>	<ul style="list-style-type: none"><li>• Focus on delivery of core liquid cooling solutions</li><li>• Ramp-up of development to bring meaningful innovations to market</li><li>• Products which deliver best performance, quality and reliability</li><li>• Currently over 20 OEM customers</li><li>• Reducing single-customer dependency</li><li>• Co-branding agreements in place with several OEMs</li><li>• Connecting directly with gamers and enthusiasts via CoolNation forum</li><li>• Positioning to monetize Asetek brand</li></ul>





# Increased demand for energy-efficient clean data centers

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**Creating a sustainable and profitable business**  
Dipak Rao, VP & General Manager



# Established position in high-performance computing (HPC) Data center segment

## Idea

- Commercial launch in 2013
- Based on liquid being up to 1,600 times better at transferring heat than air
- Offering immediate and measurable benefits for data centers

## Present position

- Major liquid cooling installations at multiple HPC sites in the world
- 14 of the world's most powerful and efficient supercomputers listed in the November 2020 Top500 and Green500
- 7 systems in the Top100 and 5 in Green100
- Not satisfied with present position as scaling has proved challenging and environmental focus is not there yet

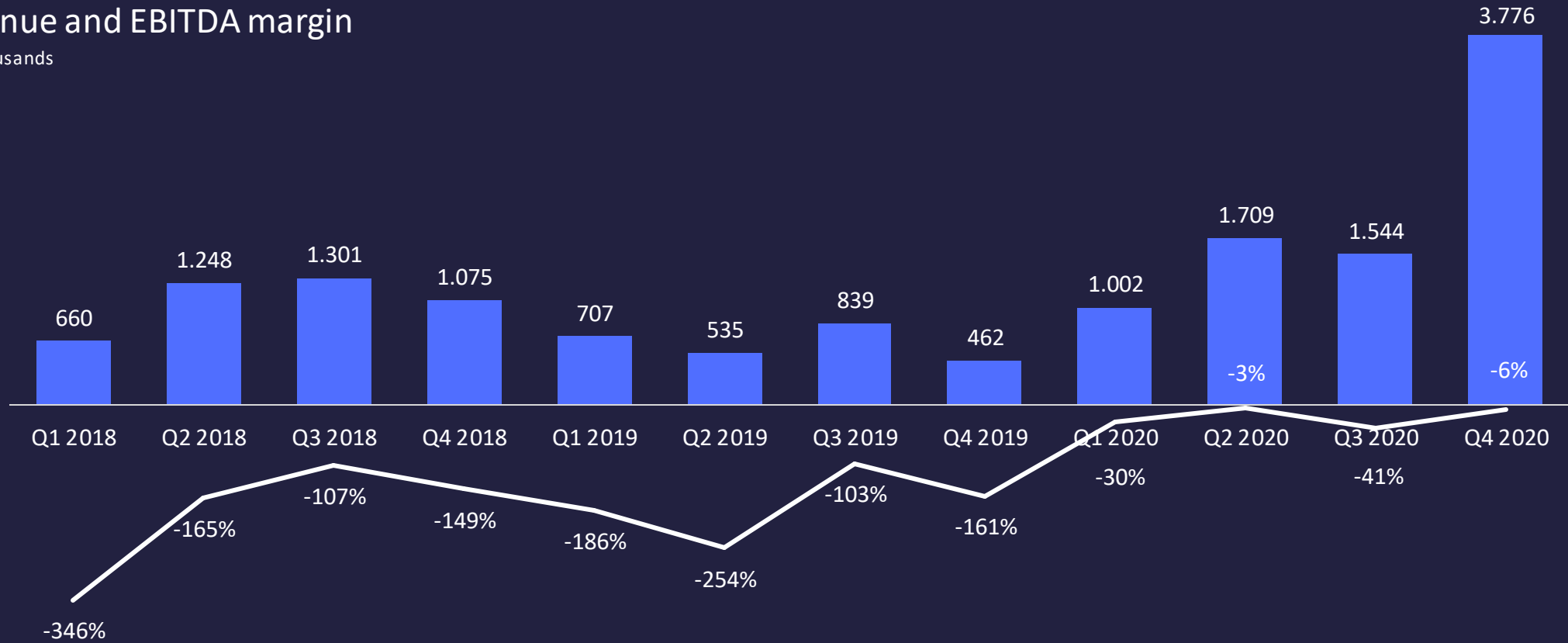
## Future

- Exponential growth in data
- Global focus on simultaneously increasing energy efficiency and reducing costs
- World-wide focus on reducing CO2 footprint
- Data centers today represent about 2-4% of global energy consumption
- Governmental standards on environmental issues for data centres is a potential demand trigger

# Increased demand and higher prices driving 2020 growth

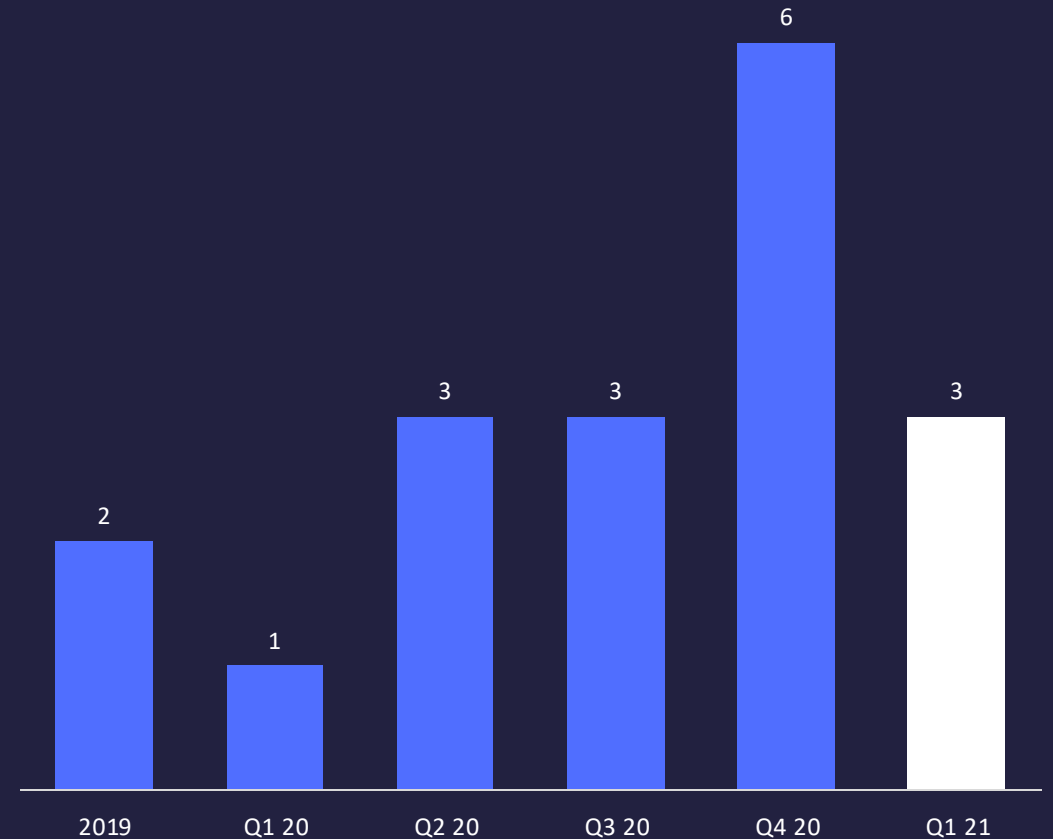
## Revenue and EBITDA margin

USD thousands



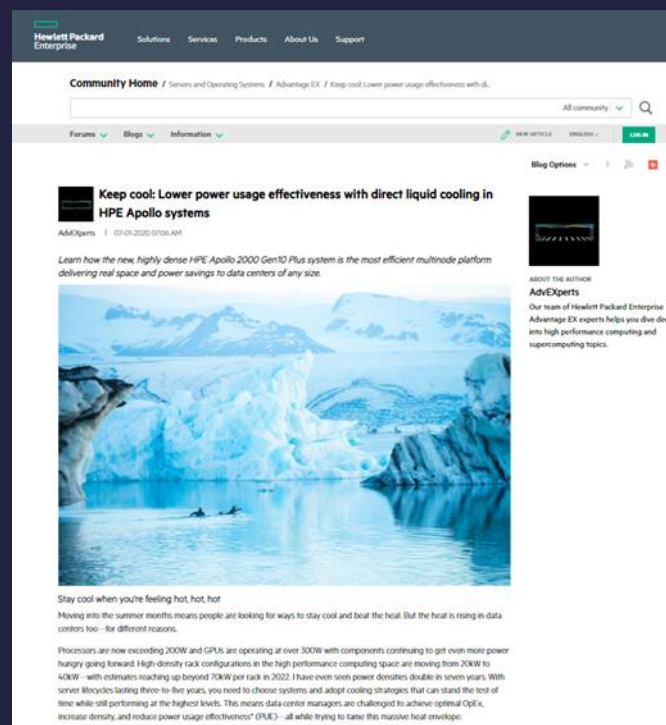
# Increased demand and higher prices driving revenue growth

- Two customers driving growth
  - HPE through its Apollo System server platform
  - Supermicro (SMCI) expanding its offering for AI and HPC data centers
- Total of 13 new Data Center orders announced in 2020 totaling \$7.8 million of value
  - Up from 2 orders announced in 2019 (\$1.1 million)
  - 3 orders YTD 2021 (\$0.9 million)
- Green data center legislation the main long-term trigger



# Strong start to commercial HPE shipments

*“Since unveiling in mid-2020, HPE has won eight bids on the HPE Apollo DLC Systems in the last six months, enabling its global customers to advance HPC in a range of vertical segments including financial services, academia, and the public sector”*

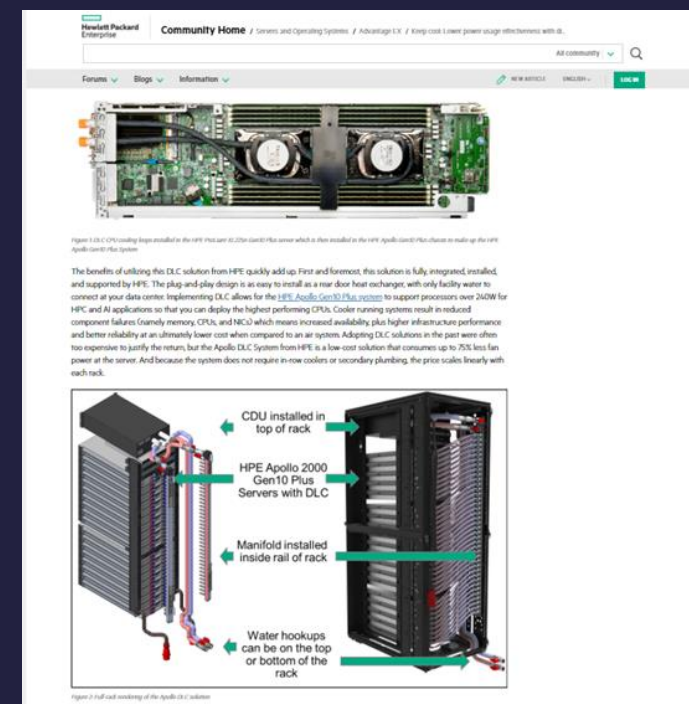


**Keep cool: Lower power usage effectiveness with direct liquid cooling in HPE Apollo systems**

Learn how the new, highly dense HPE Apollo 2000 Gen10 Plus system is the most efficient multinode platform delivering real space and power savings to data centers of any size.

Stay cool when you're feeling hot, hot, hot! Moving into the summer months means people are looking for ways to stay cool and beat the heat. But the heat is rising in data centers too – for different reasons.

Processors are now exceeding 200W and GPUs are operating at over 300W with components continuing to get even more power hungry going forward. High-density rack configurations in the high performance computing space are moving from 20kW to 40kW – with estimates reaching up beyond 70kW per rack in 2022. I have even seen power densities double in seven years. With server lifecycles lasting three-to-five years, you need to choose systems and adopt cooling strategies that can stand the test of time while still performing at the highest levels. This means data center managers are challenged to achieve optimal OpEx, increase density, and reduce power usage effectiveness (PUE) – all while trying to tame this massive heat envelope.



**Figure 1: DLC CPU cooling loop installed in the HPE ProLiant XL220 Gen10 Plus server which is then installed in the HPE Apollo 2000 Plus chassis to make up the HPE Apollo 2000 Plus system**

The benefits of utilizing this DLC solution from HPE quickly add up. First and foremost, this solution is fully integrated, installed, and supported by HPE. The plug-and-play design is as easy to install as a rear door heat exchanger, with only facility water to connect at your data center. Implementing DLC allows for the HPE Apollo 2000 Plus to support processors over 240W for HPC and AI applications so that you can deploy the highest performing CPUs. Cooler running systems result in reduced component failures (mainly memory, CPUs, and NICs) which means increased availability plus higher infrastructure performance and better reliability at an ultimately lower cost when compared to an air system. Adopting DLC solutions in the past were often too expensive to justify the return, but the Apollo DLC System from HPE is a low cost solution that consumes up to 75% less fan power at the server. And because the system does not require in-row coolers or secondary plumbing, the price scales linearly with each rack.

**Figure 2: Full rack assembly of the Apollo DLC system**

- CDU installed in top of rack
- HPE Apollo 2000 Gen10 Plus Servers with DLC
- Manifold installed inside rail of rack
- Water hookups can be on the top or bottom of the rack



# Advocating responsible climate policy for data centers

Liquid cooling offers vast potential for energy recycling and CO<sub>2</sub> reduction

50

the number of cups of coffee you can brew with the energy used and CO<sub>2</sub> emitted by streaming one movie

75%

of data center energy consumption can be recycled as water heated to 60°C

25%

reduction in power consumption

11

European capitals<sup>1</sup> can be heated at the same time by current European data center waste heat

- Educating politicians and other stakeholders about data's expanding environmental footprint
- The EU names reuse of data center waste heat a key priority in its Green Deal and Circular Economy Action Plan
- Germany is conducting a large-scale best practice analysis of data center environmental footprint, including reuse of waste heat
  - Asetek's data center in Aalborg chosen as a partner in the study
- Danish green think tank CONCITO's 2020 data center sector review strongly supports liquid cooling to increase energy efficiency

# Data center strategic development

## Goal

**Maintain position and create a sustainable and profitable business over time**

## Strategy

- Influence the influencers and develop policy support for climate gains of utilization of reused waste heat toward carbon neutrality
- Increase end-user adoption with existing and new OEMs
- Exploit established leadership within HPC

## Development and Outlook

- Global sustainability agenda strengthens rationale for Asetek's data center solution
- Market adoption of liquid cooling remains slow with need for public standards to trigger wider investments
- Segment revenue and operating results are expected to fluctuate as partnerships with OEMs are developed.
- Optimising segment overhead

# Expansion into high-adrenalin SimSports market

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Becoming a next-level immersive gaming experiences provider  
**Jim Carlton, VP & General Manager**

# New growth market speeding up

- Gamers demanding innovative high-performance equipment
- Desire for next-level immersive gaming experiences
- Release of new and improved racing games
- Competitive and committed gamers willing to invest in hardware
- SimRacing market growth accelerated by COVID-19 and limitations on real life racing activities



The 26 March 2020 NASCAR iRacing event is **the most-viewed esports event in TV history**<sup>1</sup>



1) Source: [www.cbssports.com](http://www.cbssports.com)



# Convergence of software, hardware and mechanics for real-life racing experience

Monitor stand

Wheel

Wheelbase (DD-Motor)

Shifter

Pedal

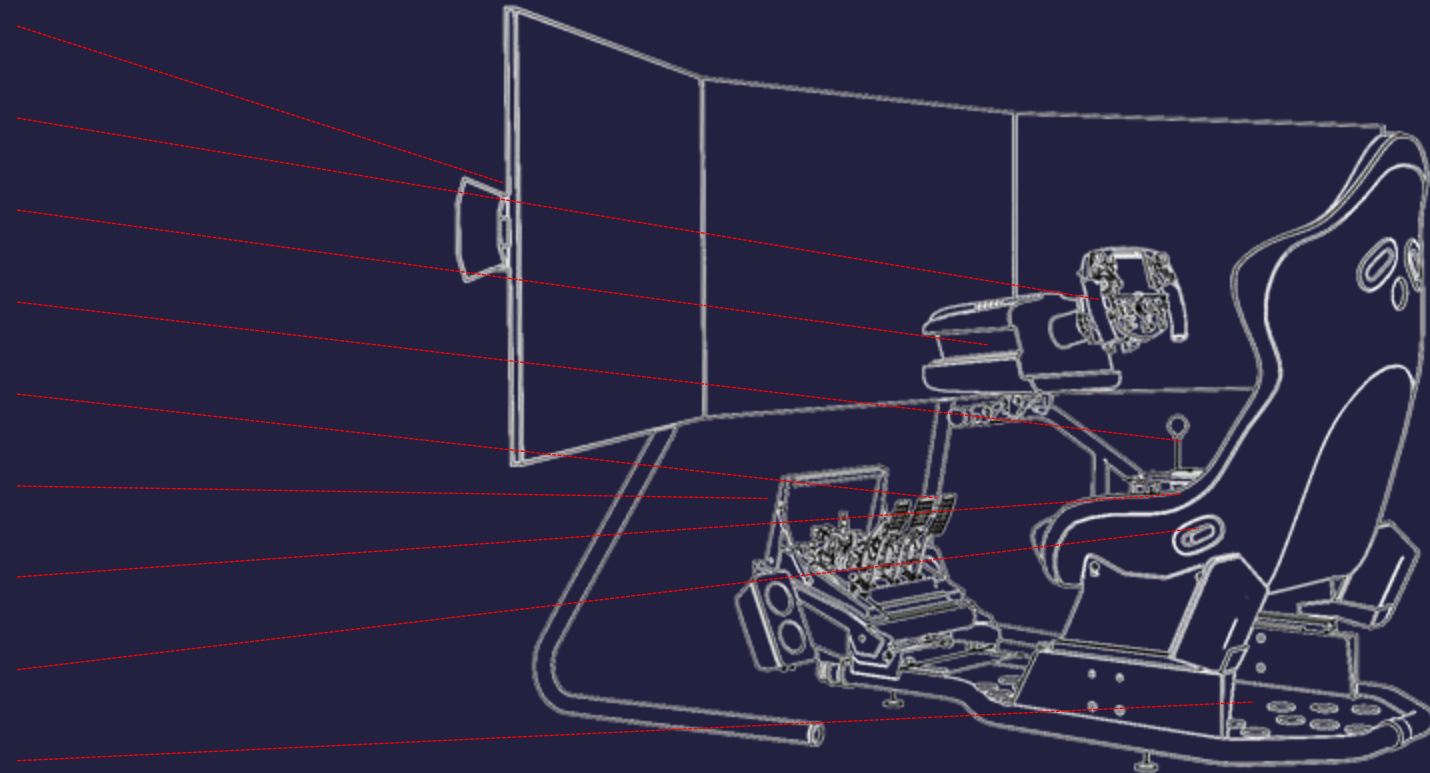
Cockpit / rig

Seat










Seatbelt tension

Motion platform

Handbrake, Dashboard display<sup>1</sup>

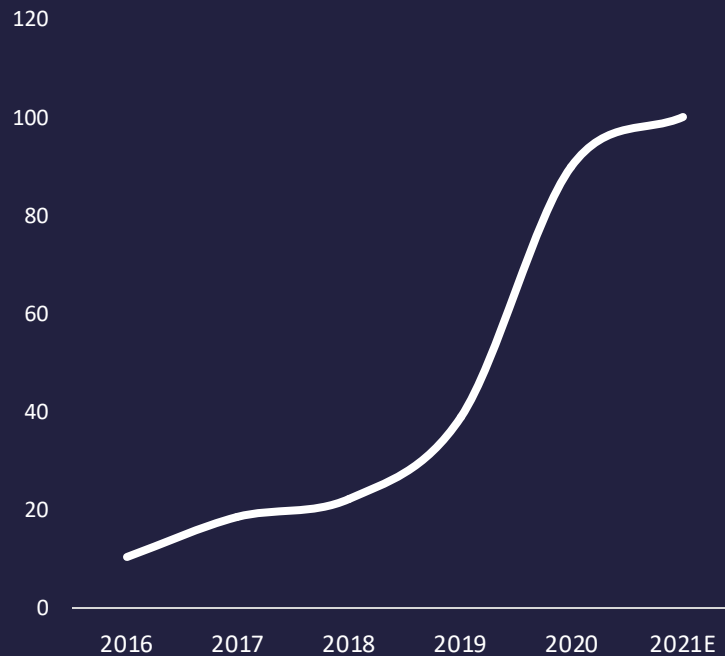


# Highly fragmented market

									Single product providers
Cockpit	✓	✓	✓	✓		✓			
Display	✓					✓			
Handbrake	✓	✓	✓	✓					
Motion	✓						✓		  
Pedal	✓	✓	✓		✓				
Seats	✓	✓							 
Shifter	✓	✓	✓						
Wheel	✓	✓		✓	✓	✓	✓	✓	  
Wheelbase	✓	✓		✓	✓		✓	✓	

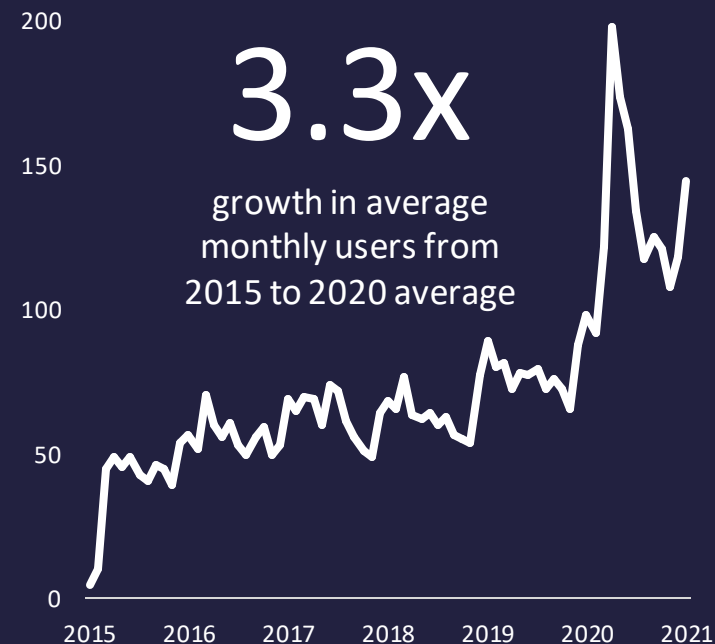
# Spending and user growth confirms robust business case

Leading SimSports equipment provider



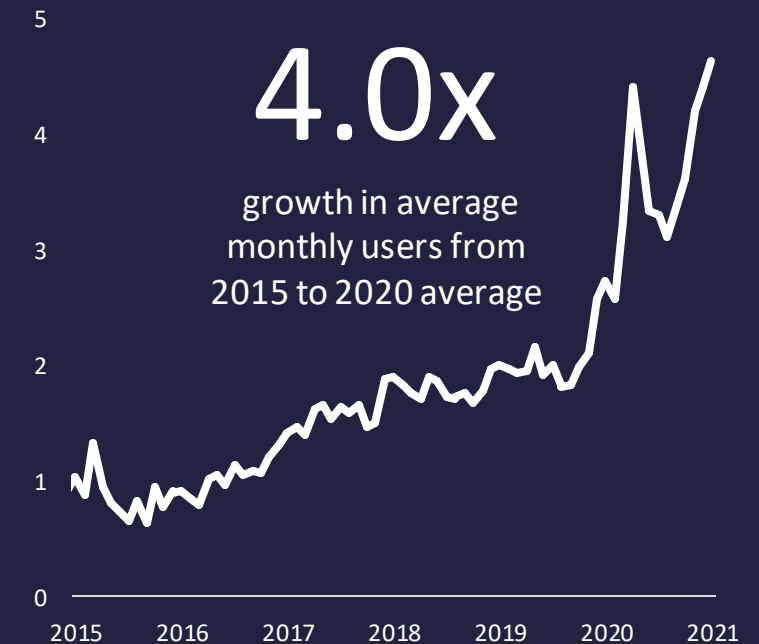
Revenue EUR million<sup>1</sup>

Sim racing game provider iRacing



'000 average active user per month<sup>2</sup>

Sim racing game provider Assetto Corsa



'000 average active user per month<sup>2</sup>

# SimSports strategic development

## Goal

**Becoming a  
next-level  
immersive  
gaming  
experiences  
provider**

## Strategy

- Leverage core mechatronics capabilities and global supply chain
- Develop product offering based on acquired IP and technology
- Establish a thriving third growth segment in a fragmented market

## Development and Outlook

- Initial focus on innovation and product development
- Finalize market and channel strategies, including considering direct sales, online resellers, motorsports shops etc.
- Aiming to announce products in 2021 and launch a wider offering during 2022
- Supported by brand platform and reputation for performance, quality, reliability and immersive experiences



# Solid financial platform for long-term growth

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**Financial development and outlook**  
Peter Dam Madsen, CFO

# Q4 and FY 2020 highlights

- Quarterly revenue of \$27.9 million, 78% growth year-over-year
- Gross margin increased to 44% in Q4, from 43% in Q4 2019
- Quarterly EBITDA adjusted of \$6.9 million, compared with \$2.6 million in Q4 2019
- Full-year revenue grew 34% to \$72.8 million, and EBITDA increased to \$15.6 million (\$6.2 million)
- Began shipping 12 new Gaming and Enthusiast products in the quarter
- High data center activity with six orders received in the quarter
- Two acquisitions to strengthen Gaming and Enthusiast segment
  - Highly complementary and accelerating development of the SimSports product offering
- Strong balance sheet provides flexibility to invest for growth

# Revenue development

## Group revenue and EBITDA margin<sup>1</sup>

USD thousands



# Quarterly revenue development

## Quarterly revenue and EBITDA margin<sup>1</sup>

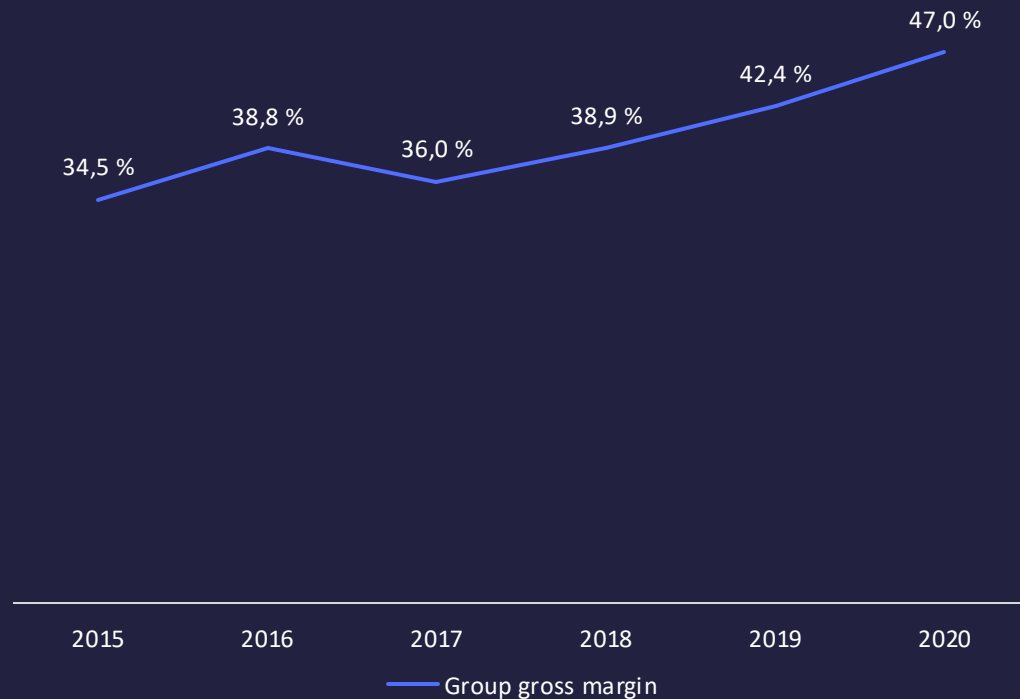
USD thousands





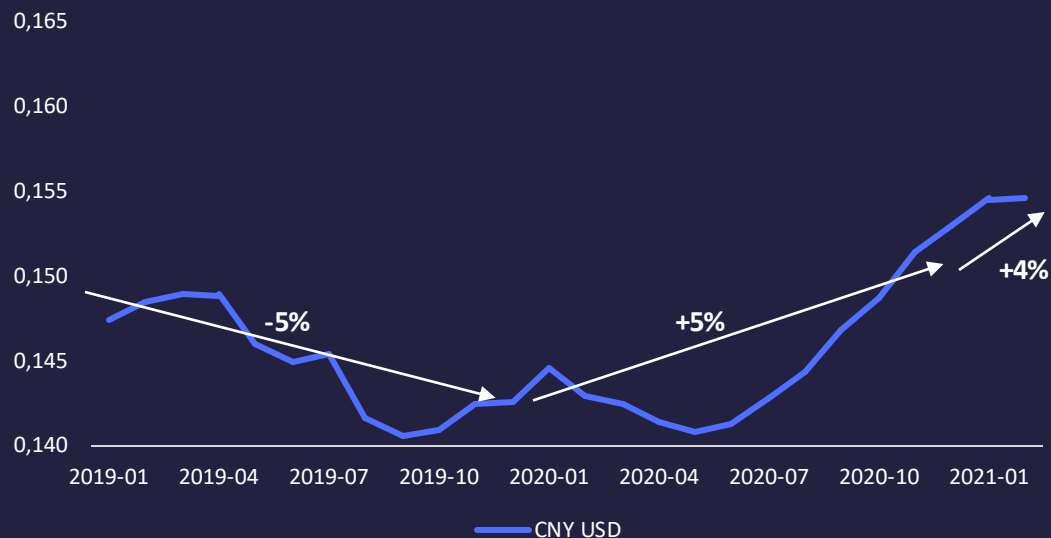
# Margin development

## Quarterly Group gross margin development



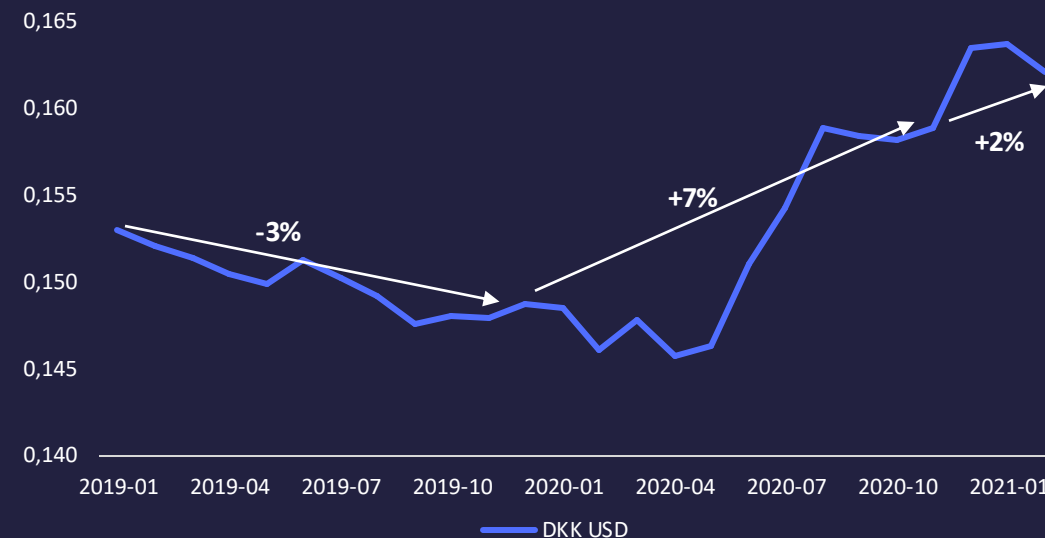
- Q4 2020 group gross margin was 44.4% (42.9%), in line with previously communicated expectations
- Full-year 2020 gross margin was 47% (42.3%)
  - New business model, increased prices for Data center products and ongoing cost reductions contributed to the margin improvement
  - Partly offset by a weaker U.S. dollar and a data center inventory valuation adjustment in Q4 2020
- 2021 margin is expected to decrease vs. 2020, partly due to partly due to negative currency effects
  - Around 45%-level expected for the full year

# Currency exchange rates



## Chinese Renminbi

- Drives COGS (transacted in USD, but negotiated via CNY)  
Impacts generally in 3%-points threshold steps
- About 50-60% of an exchange rate increase will hit the gross margin
- Other factors also have an impact as the 2020 margin increased despite FX headwind



## Danish Krone

- About 1/3 of overheads are denominated in DKK
- 7% increase = full year impact of ~\$1 million

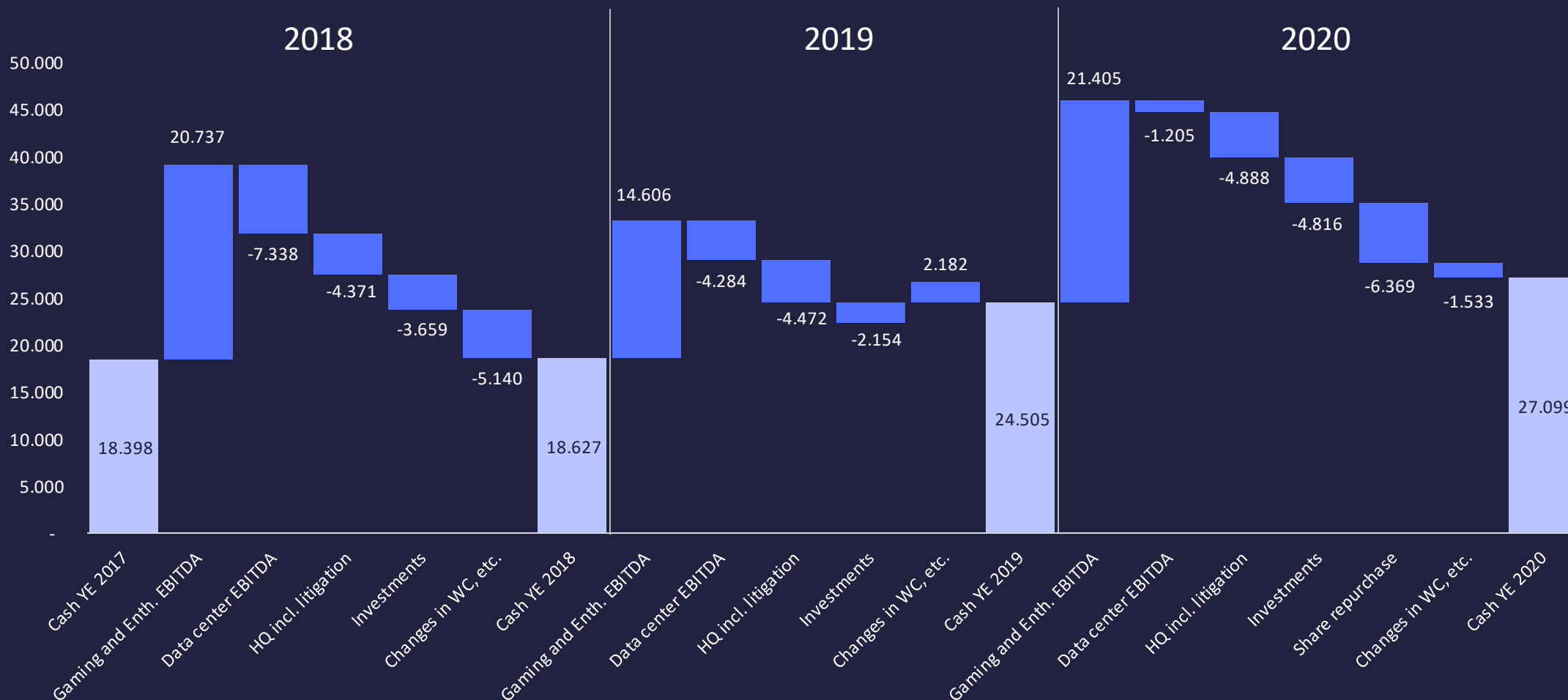
# Income statement

Figures in USD (000's)	Q4 2020	Q4 2019	2020	2019
	Unaudited	Unaudited		
Revenue	\$ 27,850	\$ 15,661	\$ 72,750	\$ 54,334
Cost of sales	15,496	8,941	38,556	31,329
<b>Gross profit</b>	<b>12,354</b>	<b>6,720</b>	<b>34,194</b>	<b>23,005</b>
Research and development	1,759	1,193	5,718	4,889
Selling, general and administrative	5,005	4,364	17,548	17,821
Other expense (income)	-	-	-	(753)
<b>Total operating expenses</b>	<b>6,764</b>	<b>5,557</b>	<b>23,266</b>	<b>21,957</b>
<b>Operating income</b>	<b>5,590</b>	<b>1,163</b>	<b>10,928</b>	<b>1,048</b>
Foreign exchange (loss) gain	(690)	(371)	(1,361)	218
Finance income (costs)	(65)	29	(141)	188
<b>Total financial income (expenses)</b>	<b>(755)</b>	<b>(342)</b>	<b>(1,502)</b>	<b>406</b>
<b>Income before tax</b>	<b>4,835</b>	<b>821</b>	<b>9,426</b>	<b>1,454</b>
Income tax (expense) benefit	1,305	(1,901)	(231)	(2,082)
<b>Income for the period</b>	<b>6,140</b>	<b>(1,080)</b>	<b>9,195</b>	<b>(628)</b>
<i>Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:</i>				
Foreign currency translation adjustments	1,293	559	2,392	(444)
<b>Total comprehensive income</b>	<b>\$ 7,433</b>	<b>\$ (521)</b>	<b>\$ 11,587</b>	<b>\$ (1,072)</b>
<b>Income per share (in USD):</b>				
Basic	\$ 0.24	\$ (0.04)	\$ 0.36	\$ (0.02)
Diluted	\$ 0.23	\$ (0.04)	\$ 0.35	\$ (0.02)

- Solid revenue increase
  - Year-over-year
  - Quarter-over-quarter
- Gross margin increase
- Modest overhead increase in 2020
  - Lean setup in early 2020 (prepared for a challenging year)
  - Expanded as revenue increased
  - Multitude of development projects and new products in 2H
  - Q4 charged with around \$350k related to cancelled R&D project
  - No significant impact from SimSports projects in 2020
- EBITDA margin increase from 11% to 21%

# Cash generation and usage

USD thousands





# Cash conversion

## Working capital

Figures in USD (000's)	Q4 2020	Q4 2019
Inventories	2.531	2.206
Receivables	24.471	17.375
Total	27.002	19.581
Payables, short term	21.264	15.002
Total	21.264	15.002

- Working capital increasing due to higher activity

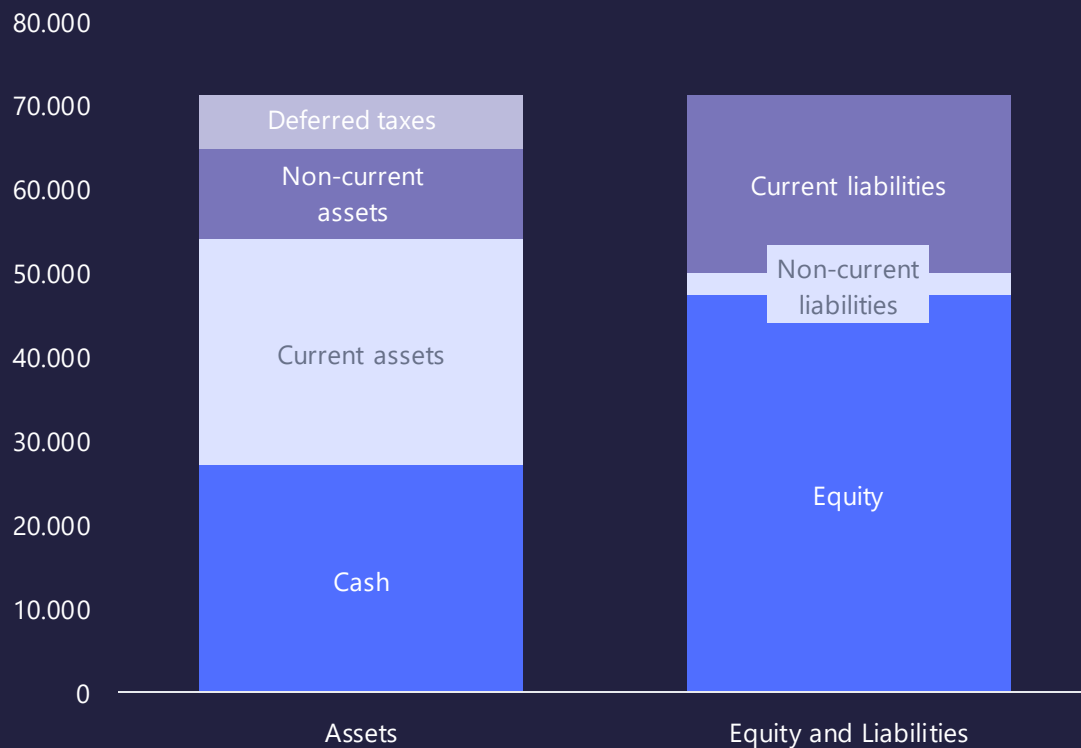
Days	Q4 2020	Q4 2019	2020	2019
Payables	-82	-83	-133	-96
Inventories	15	17	23	18
Receivables	75	75	116	89
Cash conversion cycle, days	8	9	6	11

- Cash flow performance stable

# Strong balance sheet supporting long-term growth

## Balance sheet

USD thousands as at December 31, 2020



- Strong cash position and low interest-bearing debt
- Solid and attractive partner for OEM customers
- Flexibility to develop and defend IP
- Platform for expanding gaming product portfolio
- Ambition to distribute cash surplus over time subject to change of current tax situation

# New innovation center, production facility and HQ in Aalborg

 Asetek

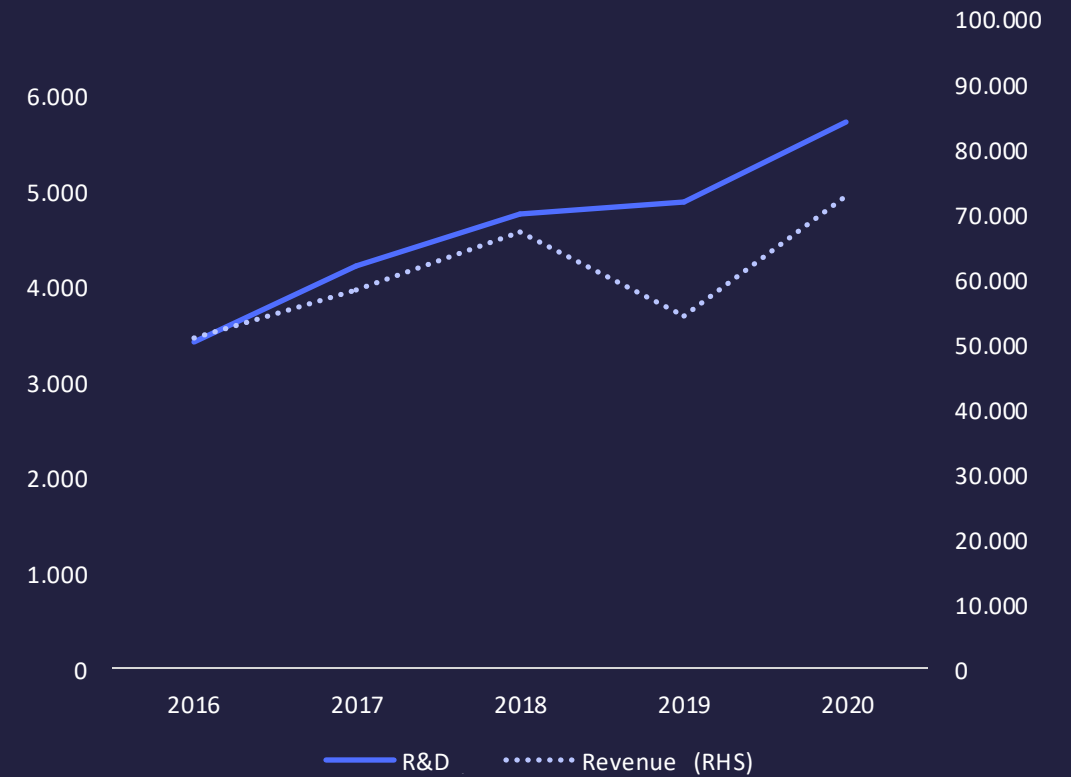
- To build and own new HQ and factory in Aalborg
- Prime location
- Outgrowing current facilities
- 3-year development period
- Total budget of ~\$50 million, initially financed by available liquidity and long-term debt

Arkitema ..

# Commitment to innovation

- Investment in R&D growing faster than revenue
- R&D spending averaged ~8% of revenue in 2016-2020 period
- Increase expected in 2021
  - Liquid cooling ~\$6-7 million (\$5.7)
  - SimSports ~\$1-2 million
- 16-18 people allocated to SimSports out of total headcount of 120

R&D spending vs. revenue  
USD thousands





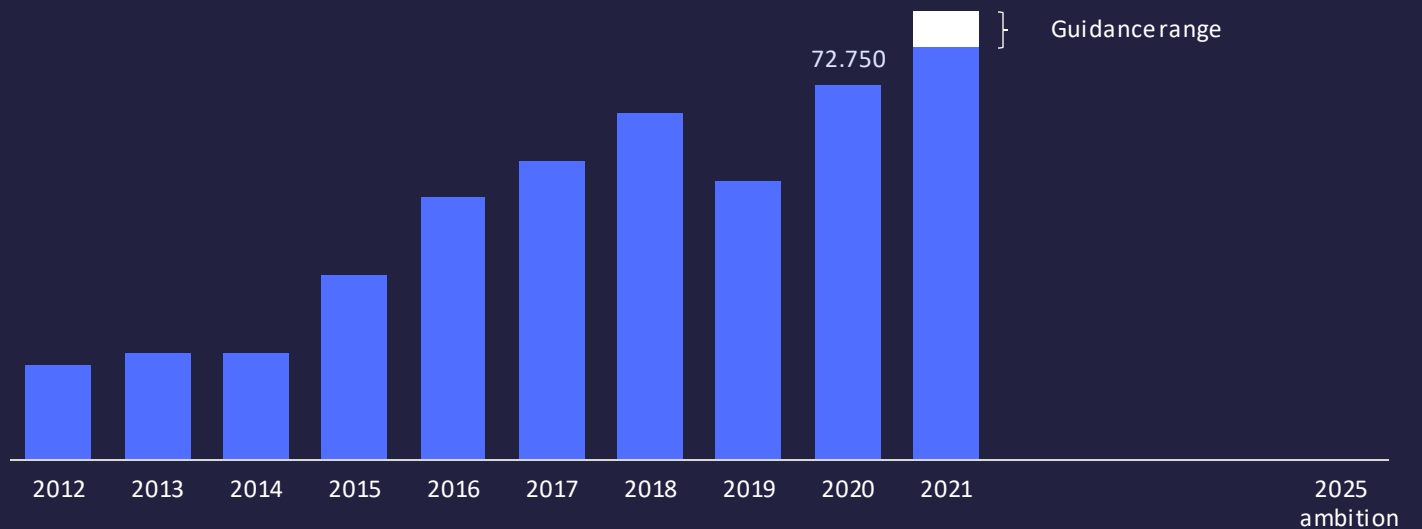
# Tax structure and share buy-backs

- Some progress made in 2020 working with the tax authorities of Denmark and U.S. to possibly resolve double-taxation issue
  - Asetek A/S is considered a tax subject by both Danish and U.S. authorities
  - In early stages and no certainty of outcome nor timing
- To complete second share buyback program on 5 March 2021
  - Program launched program in October 2020 under the safe harbour provisions of EU Regulation 2273/2003
  - Approximately 350,000 shares acquired for a total consideration of \$4 million to cover employee stock options
- Additional, smaller, share buy-back program to be expected if/when the Board of Directors decides to grant employee options

# Revenue and profit outlook

- 2021 group revenue expected to increase 10% to 20% compared with 2020
  - Equals record annual revenue in the range of \$80 - \$87 million
- Gross margin expected to decrease from 47% in 2020
  - Partly due to currency effects
- Operating income of \$9 to \$15 million, compared to \$11 million in 2020
- Uncertainty related to COVID-19

Annual Group revenue  
USD thousands



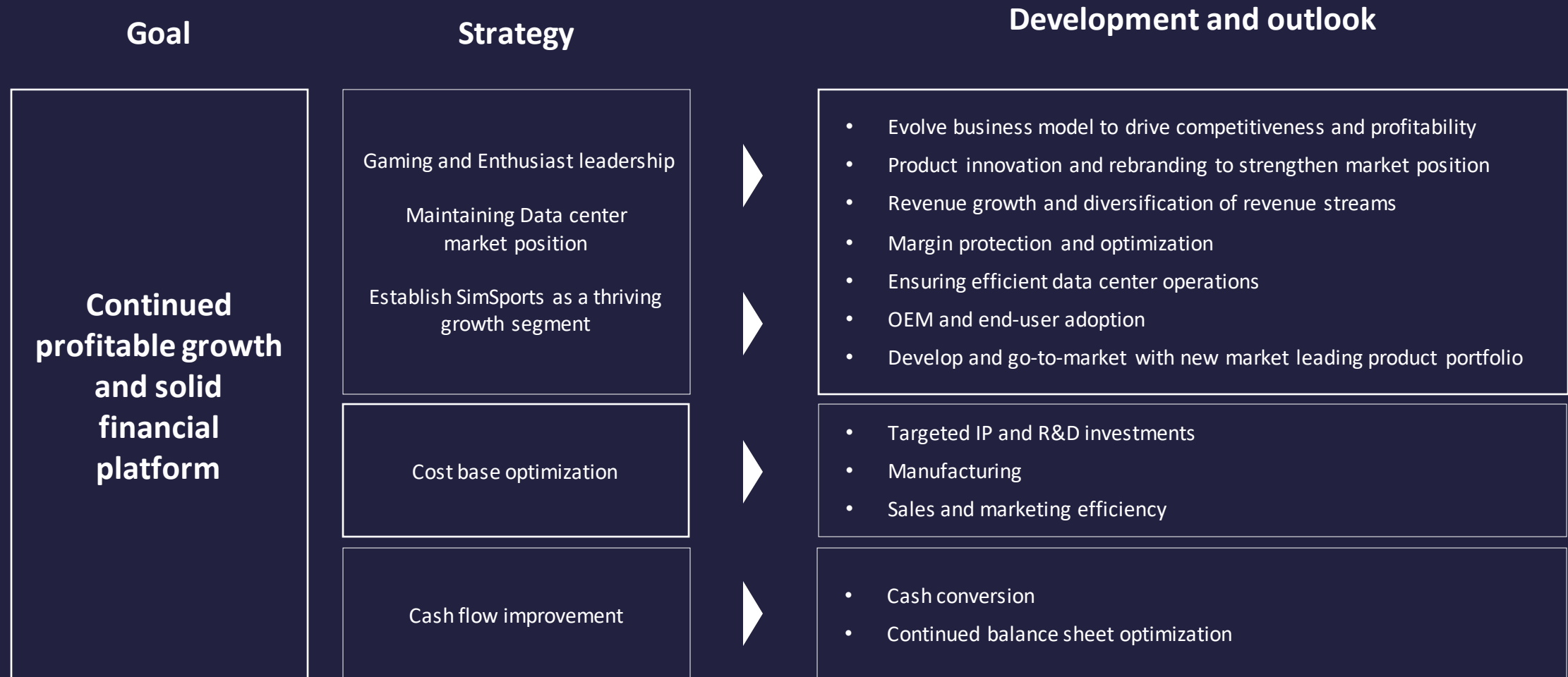
# Sustainability a core Asetek value



- All-time high performance on our products in terms of energy efficiency in 2020
- Launched 14 sustainability projects across seven key focus areas
- Improving sustainable data management to better tracking of sustainability performance
- Targets related to sustainability strategy
  - Carbon neutral operations by 2023
  - Reducing absolute CO2 emission by a minimum of 50% (index-year 2019)
  - 100% of suppliers having signed “Responsible Business Relationships Code of Conduct”



# Financial strategy and outlook





# Investment highlights



**Long-term growth driven by megatrends and innovative solutions to OEMs and end-users**

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**Global market leader with solid gross margins and balance sheet**

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**Primed for continued Gaming and Enthusiast and Data center growth**

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**Expanding addressable market via entry into SimSports gaming**

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# Q&A



# Appendix

# Management



**Founder and CEO**  
André S. Eriksen

- Long-term entrepreneur and founder of Asetek
- Previously employed at Danfoss in their management trainee program
- Holds an engineering degree from Aalborg University
- Several MBA level executive management programs from Right, Stanford, MIT and Wharton



**CFO**  
Peter Dam Madsen

- Previous positions include International Controller (DK) and Chief Financial Officer (US) at Martin Professional, Inc.
- Also served as CFO of Dantax Radioindustri A/S listed on the Copenhagen Stock Exchange
- MBA from Fort Lauderdale Metropolitan University



**COO**  
John Hamill

- 30+ years of high tech industry sales, sales management and marketing experience
- Previously held position as VP of Global Sales at nVidia and AMD
- Has managed global sales teams
- BSc in Electronics and Electrical Engineering from the University of Glasgow in Scotland



**VP Global Operations**  
Henrik Gertz

- 20+ years in operations management roles, where he managed fulfilment, logistics, manufacturing planning, procurement, and supply chain functions
- He became a machine fitter at ABB and then studied and earned his Production Technologist degree, and a Diploma in Management



**VP & GM, B2C BU**  
Jim Carlton

- A veteran product and marketing leader with nearly 30 years of experience. He started his career as a software programmer and tech support agent and has consistently taken on roles offering an opportunity to challenge himself and his teams
- He studied Biological Science at University of California, Irvine



**VP Global Sales and Marketing**  
Dipak Rao

- 15 years+ experience leading global teams and managing global accounts in the high-tech industry
- Prior to joining Asetek, Dipak held senior sales and product marketing roles at AMD
- B.A. (Honors) in Marketing from De Montfort University, Leicester in the U.K



**VP Global R&D**  
Thomas Ditlev

- 15+ years of experience with Vestas and Grundfos he has an intimate background in sophisticated pumping and cooling systems designed for global markets
- M.Sc.EE degree from Aalborg University as well as an EMBA in Business Psychology from Business Institute in Aalborg



**VP Global Quality**  
Magnus Hakanen

- 20+ years of experience from quality management positions within international organizations like VELUX, Grundfos, Vestas, Nilfisk and automotive companies
- M.Sc. in Mech. Engineering from the KTH Royal Institute of Technology in Stockholm, Sweden. In addition he also has a Six-Sigma Black Belt certification



**Director Branding and Outbound Marketing**  
Solveig Malvik

- Extensive international experience within branding, marketing, communication and business development
- Holds an M.A. in Modern Middle Eastern Studies, Public Policy and Governance from A.U. of Beirut and a Masters in Political Science and Public Administration from the University of Bergen



# Board of Directors



**Chairman**  
Jukka Pertola

- 20+ years of management experience in ICT, energy, industry, infrastructure and healthcare sectors
- 10+ years of international experience in board positions at private and public companies and organizations
- Solid technological background in telecommunications, IT, digitalization and electrical engineering
- Experience in R&D funding and technology transfer projects



**Vice Chairman**  
Chris Christopher

- 40+ years of leadership, management and tech industry experience
- Most recent Senior VP and GM at HP for an USD 18bn portfolio consisting of blades based client systems, workstations and desktop PCs
- BSEE and MSEE from Colorado State University and an Executive MBA from Insead School of Business



**Director**  
Maria Hjorth

- 20+ years of consulting and financial sector experience covering business development, M&A, investor relations and operational optimization
- CEO of VP Securities
- MSc and BSc in Economics from University of Copenhagen and a MSc in Business Psychology from University of Westminster in London



**Director**  
Jørgen Smidt

- 25+ years of international operational and business management experience from the mobile telecoms industry, including Nokia and Motorola
- Experience includes investment and international marketing, market positioning and communication strategies
- Currently a partner at Sunstone Technology Ventures Fund I
- Holds an engineering degree in computer science from the Engineering College of Copenhagen



**Director**  
Erik Damsgaard

- Experienced Managing Director from the electrical and electronic manufacturing industry
- 20 years as leader at OJ Industries in the HVAC and Floor heating industry. He is also Chairman of Danish service and distributor company Masentia A/S and Masentia Holding AB
- Holds M.Sc. in Electronics and a diploma in Business Economics, both from Aarhus University. Has graduated an Executive Management Program at INSEAD

# Income statement

USD thousands	2020	2019	2018	2017
Revenue	72,750	54,334	67,314	58,194
Cost of sales	38,556	31,329	41,142	37,225
<b>Gross profit</b>	<b>34,194</b>	<b>23,005</b>	<b>26,172</b>	<b>20,969</b>
Research and development	5,718	4,889	4,764	4,220
Selling, general and administrative	17,548	17,821	16,989	14,905
Other expense (income)	-	(753)	-	(913)
<b>Total operating expenses</b>	<b>23,266</b>	<b>21,957</b>	<b>21,753</b>	<b>18,212</b>
<b>Operating income</b>	<b>10,928</b>	<b>1,048</b>	<b>4,419</b>	<b>2,757</b>
Foreign exchange (loss) gain	(1,361)	218	342	(1,239)
Finance income (costs)	(141)	188	109	(19)
<b>Total financial income (expenses)</b>	<b>(1,502)</b>	<b>406</b>	<b>451</b>	<b>(1,258)</b>
<b>Income before tax</b>	<b>9,426</b>	<b>1,454</b>	<b>4,870</b>	<b>1,499</b>
Income tax (expense) benefit	(231)	(2,082)	(1,198)	2,976
<b>Income for the period</b>	<b>9,195</b>	<b>(628)</b>	<b>3,672</b>	<b>4,475</b>
<i>Other comprehensive income items that maybe reclassified to profit or loss in subsequent periods:</i>				
Foreign currency translation adjustments	2,392	(444)	(169)	1,253
<b>Total comprehensive income</b>	<b>11,587</b>	<b>(1,072)</b>	<b>3,503</b>	<b>5,728</b>
<b>Earnings per share (in USD):</b>				
Basic	0.36	(0.02)	0.14	0.18
Diluted	0.35	(0.02)	0.14	0.17

# Balance sheet

USD thousands	31.12.2020	31.12.2019	31.12.2018	31.12.2017
<b>ASSETS</b>				
<i>Non-current assets</i>				
Intangible assets	3,217	1,920	2,414	2,754
Property and equipment	7,049	6,115	4,103	3,856
Deferred income tax assets	6,421	5,521	7,458	7,778
Other assets	605	307	309	794
<b>Total non-current assets</b>	<b>17,292</b>	<b>13,863</b>	<b>14,284</b>	<b>15,182</b>
<i>Current assets</i>				
Inventory	2,531	1,657	2,862	2,316
Trade receivables and other	24,471	14,080	15,625	13,280
Cash and cash equivalents	27,099	24,505	18,627	18,398
<b>Total current assets</b>	<b>54,101</b>	<b>40,242</b>	<b>37,114</b>	<b>33,994</b>
<b>Total assets</b>	<b>71,393</b>	<b>54,105</b>	<b>51,398</b>	<b>49,176</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Share capital	433	423	422	419
Retained earnings	50,681	38,197	37,704	31,976
Translation and other reserves	(3,589)	388	832	999
<b>Total equity</b>	<b>47,525</b>	<b>39,008</b>	<b>38,958</b>	<b>33,394</b>
<i>Non-current liabilities</i>				
Long-term debt	2,604	2,774	641	816
<b>Total non-current liabilities</b>	<b>2,604</b>	<b>2,774</b>	<b>641</b>	<b>816</b>
<i>Current liabilities</i>				
Short-term debt	1,525	1,518	980	1,051
Accrued liabilities	2,429	1,022	2,185	2,432
Accrued compensation & employee benefits	3,193	1,526	1,512	1,335
Trade payables	14,117	8,257	7,122	10,148
<b>Total current liabilities</b>	<b>21,264</b>	<b>12,323</b>	<b>11,799</b>	<b>14,966</b>
<b>Total liabilities</b>	<b>23,868</b>	<b>15,097</b>	<b>12,440</b>	<b>15,782</b>
<b>Total equity and liabilities</b>	<b>71,393</b>	<b>54,105</b>	<b>51,398</b>	<b>49,176</b>

# Cash flow statement

USD thousands	2020	2019	2018	2017
<b>Cash flows from operating activities</b>				
Income for the period	9,195	(628)	3,672	4,475
Depreciation and amortization	3,754	4,057	3,690	2,430
Finance income	0	0	(205)	(84)
Finance costs	80	87	96	103
Income tax expense (benefit)	231	2,082	1,198	(2,976)
Impairment of intangible assets	0	0	0	5
Cash receipt (payment) for income tax	10	(172)	(118)	(43)
Share based payments expense	918	1,056	1,276	1,597
Changes in trade receivables, inventories, other assets	(10,121)	2,234	(3,502)	693
Changes in trade payables and accrued liabilities	7,363	154	(2,264)	(112)
<b>Net cash provided by (used in) operating activities</b>	<b>11,430</b>	<b>8,870</b>	<b>3,843</b>	<b>6,088</b>
<b>Cash flows from investing activities</b>				
Acquisition of business	(1,316)	-	-	-
Additions to intangible assets	(1,571)	(1,441)	(1,745)	(2,426)
Purchase of property and equipment	(1,929)	(713)	(1,914)	(1,872)
<b>Net cash used in investing activities</b>	<b>(4,816)</b>	<b>(2,154)</b>	<b>(3,659)</b>	<b>(4,298)</b>
<b>Cash flows from financing activities</b>				
Funds drawn (paid) against line of credit	(269)	22	(6)	295
Repurchase of common shares	(6,369)	0	0	0
Proceeds from issuance of share capital	2,381	64	782	686
Payment of dividends	0	0	0	(2,910)
Principal payments on capitalized leases	(831)	(734)	(321)	(162)
<b>Net cash provided by (used in) financing activities</b>	<b>(5,088)</b>	<b>(648)</b>	<b>455</b>	<b>(2,091)</b>
Effect of exchange rate changes on cash and cash equivalents	1,068	(190)	(410)	1,089
<b>Net changes in cash and cash equivalents</b>	<b>2,594</b>	<b>5,878</b>	<b>229</b>	<b>788</b>
Cash and cash equivalents at beginning of period	<b>24,505</b>	<b>18,627</b>	<b>18,398</b>	<b>17,610</b>
<b>Cash and cash equivalents at end of period</b>	<b>27,099</b>	<b>24,505</b>	<b>18,627</b>	<b>18,398</b>
<b>Supplemental disclosures -</b>				
Property and equipment acquired under leases	668	413	134	868





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