

LIQUID
COOLING
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First quarter 2013

24 May, San Jose, USA



ASETEK

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Highlights

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USD (000's)	Q1 2013	Q1 2012
Revenue	4 925	4 876
<i>Revenue, desktop</i>	4 889	4 876
<i>Revenue, datacenter</i>	36	-
Gross profit	1 878	1 868
Gross margin %	38.1%	38.3%
EBITDA (unaudited)	(950)	271
Operating profit (loss)	(1 498)	(224)
Net income (loss)	(312)	(707)
Purchases of property and equipment	17	44
Units shipped (1 000)	122	107

- Shipped 122,000 liquid cooling units
- Chosen for pilot installation at the University of Tromsø, Norway
- Revenues \$4.9 million
- Operating loss \$1.5 million
 - Profitable Desktop segment
 - Datacenter investments in line with plan
- Listed on the Oslo Stock Exchange in March 2013
- IPO raised over \$21 million of net proceeds through issuance of 4 million common shares



Agenda



- I. **Operational review**
- II. Financial review
- III. Summary and outlook
- IV. Q&A Session



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Desktop

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Operational highlights

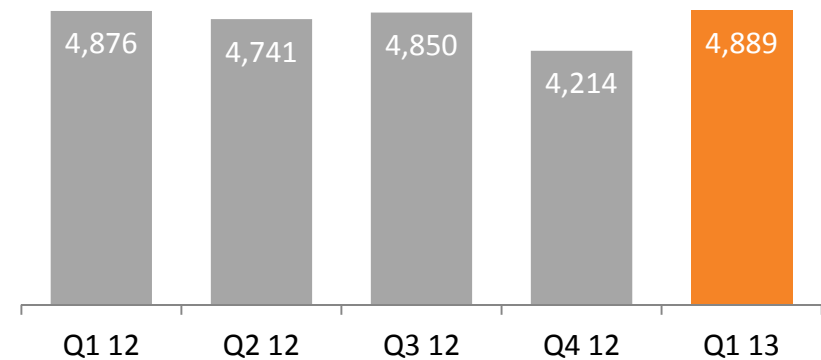
- Over 1.4 million liquid cooling units delivered to desktop customers up until 31 March 2013
- After two new product launches in Q1 Corsair is once again Asetek's largest DIY channel customer
- Launched a new product with Dell with higher average sales price than the previous product
- Strengthened IP portfolio through filing of two new patents
- Revenue segment distribution is broadly in line with the distribution from 2012

Subsequent events:

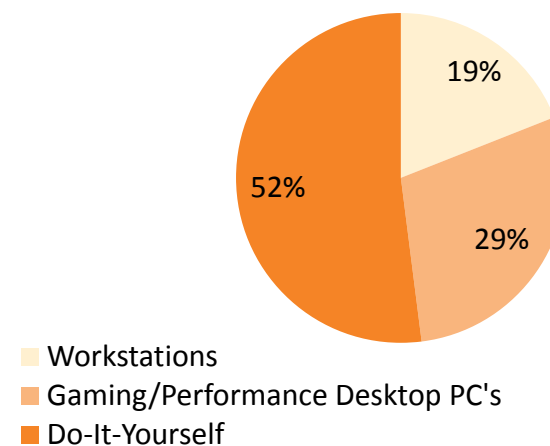
- Design win with HP expected to give 8-10% increase in Asetek's workstation business

Revenue development

USD (000's)



Revenue split Q1 2013



Datacenter

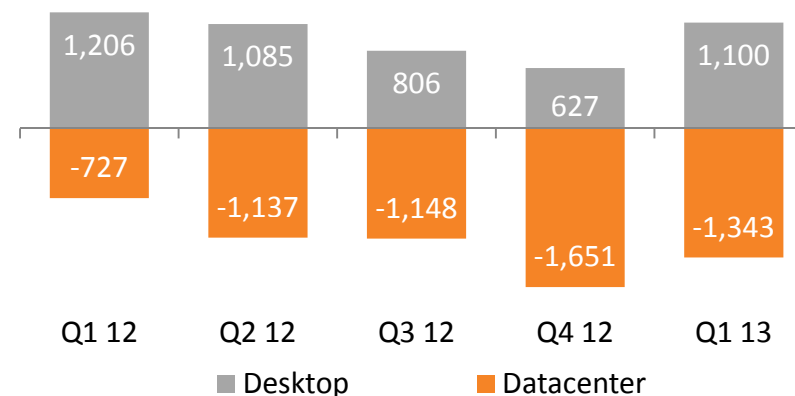
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Operational highlights

- Pilot win at the High Performance Computing facilities at University of Tromsø, Norway
 - Warranty support agreed with global server OEM
- Initiated shipments of RackCDU™ to Cray Inc.
 - Revenue expected to pick up during 2013
- Completed a Non Recurring Engineering development project for tier-1 server OEM
 - Continuous focus on OEM integration
- ISAC™ product selected by U.S. Department of Defense's TROPEC program
- Demonstration facility inaugurated at San Jose office
 - Open to public and customers

EBITDA: continued investments in Datacenter

USD (000's)



Award winning RackCDU™



Department of defense award

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- Asetek selected in Q4 2012
- Redstone Arsenal Datacenter (RA) final deployment site
 - Likely to serve as reference for other DoD datacenters
- Good growth potential both within RA and the DoD in general over the next 5 years
- Installation and revenue planned to begin in Q3 2013 with finalization in Q2 2014
- Total installation around 250kW of IT power split on new installations and retrofit
- Global server OEM has agreed to supply warranty on servers



Subsequent events in Datacenter

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- Installation and testing at two U.S. Department of Energy National Laboratories in April and May
 - NREL - installation designed to be the world's most efficient datacenter
 - LBNL - installation expected to result in white papers validating performance and reliability of RackCDU™ Joint project with Cisco and Intel
- World's top 40 most innovative companies of 2012 (The New Economy magazine)
- Finalist in 2013 American Business AwardsSM (Stevie Awards)



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Income Statement



USD (000's)	Q1 2013	Q1 2012	FY 2012
Revenue	4 925	4 876	18 681
Gross Profit	1 878	1 868	6 788
<i>Gross Margin</i>	38%	38%	36%
Total operating expenses	3 376	2 092	11 660
Operating Income	(1 498)	(224)	(4 872)
Financial Income (expense)	1 318	(536)	(3 686)
Income for the period	(180)	(758)	(8 558)
Foreign currency translation adjustments	(132)	51	67
Total comprehensive Income	(312)	(707)	(8 491)

- Stable revenues and margins
- Operating expenses reflect increased investment in datacenter segment
- Finance income is one-time item in connection with IPO, non-cash



Income Statement – segment breakdown



USD (000's)	Q1 2013		Q1 2012	
	Desktop	Datacenter	Desktop	Datacenter
Revenue	4 889	36	4 876	-
Cost of sales	2 983	20	2 972	-
Gross Profit	1 906	16	1 904	-
Gross Margin	39.0%	44.4%	39.0%	N/A
Other operating expenses	806	1 359	698	727
EBITDA	1 100	(1 343)	1 206	(727)
EBITDA margin	22.5%	N/A	24.7%	N/A
Depreciations	527	21	439	-
EBIT, by segment	573	(1 364)	767	(727)
EBIT Margin	11.7%	N/A	15.7%	N/A
Headquarters costs	707		264	
EBIT, total	(1 498)		(224)	



Cash Flow Statement



USD (000's)	Q1 2013	Q1 2012	FY 2012
Income (loss) for the period	(180)	(758)	(8 558)
Non-cash adjustments	(733)	993	5 950
Changes in trade receivables, inventories, other assets	(292)	(1 672)	(2 070)
Changes in trade payables and accrued liabilities	102	(257)	1 045
Net cash used in operating activities	(1 103)	(1 694)	(3 633)
Additions to intangible assets and purchase of PP&E	(506)	(340)	(1 253)
Net cash used in investing activities	(506)	(340)	(1 253)
Proceeds from debt issuance	-	-	3 306
Cash payments on credit lines/debt/lease	(3 871)	(321)	(357)
Proceeds from issuance of convertible shares and share capital	24 241	-	369
Net cash provided by financing activities	20 370	(321)	3 318
Effect of exchange rate changes on cash and cash equivalents	(80)	(21)	148
Net changes in cash and cash equivalents	18 681	(2 376)	(1 420)
Cash and cash equivalents at beginning of period	1 248	2 668	2 668
Cash and cash equivalents at end of period	19 929	292	1 248
Unpaid IPO related fees included in accrued liabilities	2 791	-	-



Balance sheet



USD (000's)	Q1 2013	FY 2012
Plant, Property and Equipment	367	440
Intangible Assets - Development Projects	1 428	1 448
Total non-current assets	1 795	1 888
Inventories	1 019	1 055
Receivables	4 203	3 971
Cash and equivalents	19 929	1 248
Total current assets	25 151	6 274
Total assets	26 946	8 162
Total equity	19 925	(40 642)
Total non-current liabilities	5	7 451
Preferred convertible shares	-	37 122
Accrued liabilities	4 146	2 241
Trade payables	2 870	1 990
Total current liabilities	7 016	41 353
Total liabilities	7 021	48 804
Total equity and liabilities	26 946	8 162



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Summary and outlook

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Desktop

- New design win in all segments
- Revenue expected to increase from first to second quarter 2013 to support 10% overall growth target
- Revenue and gross margin according to plan



ISAC™ (Inside Server Air Conditioning)

Datacenter

- First OEM shipments to Cray
- New contract wins and price awards
- Deployment of Environmental Security Technology Certification Program (ESTCP) project with U.S. Department of Defense is on schedule
- RackCDU™ systems and ISAC™ are delivered and being evaluated at two ultra-scale internet companies
- Testing is ongoing at two major U.S Department of Energy laboratories and white papers are on track
- RackCDU™ systems expected to be installed and testing initiated with major European telecom provider and leading OEM during second quarter



Q&A

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Appendix



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Income statement



Figures in USD (000's)	Q1 2013	Q1 2012	2012
	<i>Unaudited</i>	<i>Unaudited</i>	
Revenue	\$ 4,925	\$ 4,876	\$ 18,681
Cost of sales	3,047	3,008	11,893
Gross profit	1,878	1,868	6,788
Research and development	996	736	3,717
Selling, general and administrative	2,369	1,328	7,878
Foreign exchange gain (loss)	11	28	(65)
Total operating expenses	3,376	2,092	11,660
Operating (loss)	(1,498)	(224)	(4,872)
Finance income	1,550	-	-
Finance costs	(232)	(536)	(3,693)
Total financial income (expenses)	1,318	(536)	(3,693)
Loss before tax	(180)	(760)	(8,565)
Income tax	-	2	7
Loss for the period	(180)	(758)	(8,558)
Foreign currency translation adjustments	(132)	51	67
Total comprehensive loss	\$ (312)	\$ (707)	\$ (8,491)
Loss per share (in USD):			
Basic	\$ (0.06)	\$ (0.48)	\$ (5.43)
Diluted	\$ (0.06)	\$ (0.48)	\$ (5.43)



Balance Sheet

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Figures in USD (000's)	Q1 2013	2012
ASSETS	<i>Unaudited</i>	
<i>Non-current assets</i>		
Property and equipment	\$ 367	\$ 440
Intangible assets	1,428	1,448
Total non-current assets	1,795	1,888
<i>Current assets</i>		
Inventory	1,019	1,055
Trade receivables and other	4,203	3,971
Cash and cash equivalents	19,929	1,248
Total current assets	25,151	6,274
Total assets	\$ 26,946	\$ 8,162
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	\$ 239	\$ 2
Share premium	64,577	3,935
Accumulated deficit	(44,398)	(44,218)
Translation reserves	(493)	(361)
Total equity	19,925	(40,642)
<i>Non-current liabilities</i>		
Long-term debt	5	7,451
Total non-current liabilities	5	7,451
<i>Current liabilities</i>		
Redeemable preferred shares	-	29,510
Convertible option on preferred shares	-	7,612
Short-term debt	527	314
Accrued liabilities	3,113	1,393
Accrued compensation and employee benefits	506	534
Trade payables	2,870	1,990
Total current liabilities	7,016	41,353
Total liabilities	7,021	48,804
Total equity and liabilities	\$ 26,946	\$ 8,162



Cash Flow

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Figures in USD (000's)	Q1 2013	Q1 2012	2012
Cash flows from operating activities	<i>Unaudited</i>	<i>Unaudited</i>	
Loss for the period	\$ (180)	\$ (758)	\$ (8,558)
Depreciation and amortization	548	439	2,052
Finance costs (income)	(1,318)	536	3,693
Income tax expense (income)	-	(2)	(7)
Impairment of intangible assets	-	-	74
Cash payments for income tax	-	-	(2)
Share based payments expense	37	20	140
Changes in trade receivables, inventories, other assets	(292)	(1,672)	(2,070)
Changes in trade payables and accrued liabilities	102	(257)	1,045
Net cash used in operating activities	(1,103)	(1,694)	(3,633)
Cash flows from investing activities			
Additions to intangible assets	(489)	(296)	(1,165)
Purchase of property and equipment	(17)	(44)	(88)
Net cash used in investing activities	(506)	(340)	(1,253)
Cash flows from financing activities			
Proceeds from debt issuance	-	-	3,306
Cash payments on long-term debt	(3,100)	-	-
Cash payments on line of credit	(308)	-	-
Cash payments for interest on debt	(461)	(300)	(322)
Proceeds from issuance of share capital	24,825	-	3
Cash paid for fees related to IPO	(584)	-	-
Proceeds from issuance of convertible preferred shares	-	-	366
Principal and interest payments on finance leases	(2)	(21)	(35)
Net cash provided by financing activities	20,370	(321)	3,318
Effect of exchange rate changes on cash and cash equivalents	(80)	(21)	148
Net changes in cash and cash equivalents	18,681	(2,376)	(1,420)
Cash and cash equivalents at beginning of period	1,248	2,668	2,668
Cash and cash equivalents at end of period	\$ 19,929	\$ 292	\$ 1,248

Supplemental Disclosure:

Unpaid IPO fees included in accrued liabilities	\$ 2,791	\$ -	\$ -
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