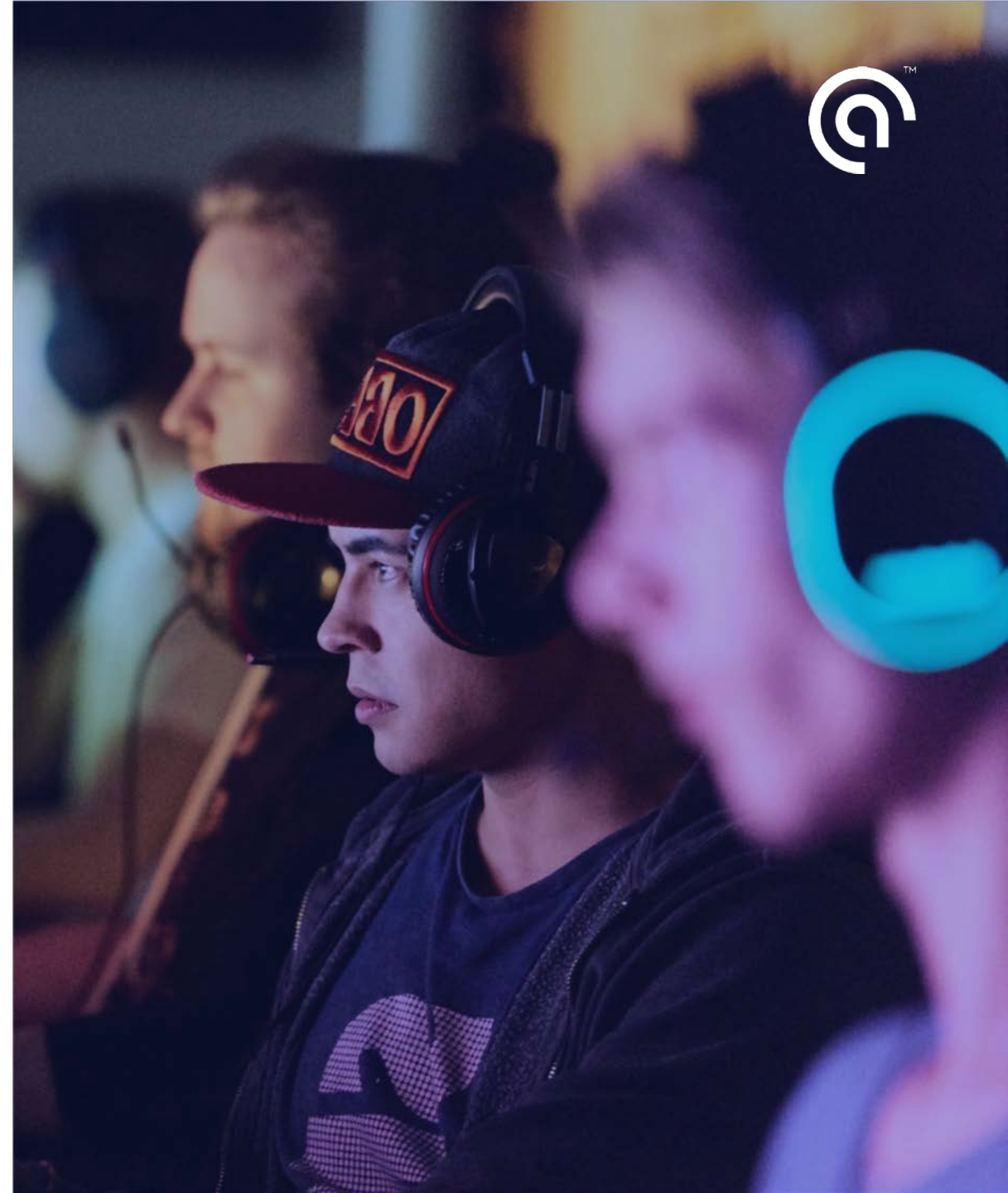


# Q1 2019

30 April 2019

# Recent highlights

- Q1 2019 group revenue of USD 11.2 million, down 19% from Q1 2018
- Gaming and Enthusiast Q1 2019 revenue of USD 10.5 million, down from USD 13.2 million in Q1 2018
- Adjusted EBITDA of USD 0.3 million compared to USD 0.9 million in Q1 2018
- Group revenue growth expectation for 2019 maintained at between 0% to 10%
- Improvement seen in the Gaming and Enthusiast market in the second quarter 2019





# Asetek will be an end-user centric brand



## Hardcore gamers

**Gamers know they can count on us.** We're gamers too, who love to squeeze every bit of performance from our systems. AIO coolers powered by Asetek enable GPU or CPU overclocking to ensure you get the most out of your high-end gaming PC.

## Enthusiasts

**We know that top-shelf performance is a must when building your own monster rig.** That's why we continue to innovate and push the envelope of what's possible.



# Business segments reflects strategic focus



The business segment driving revenue and profitability today:

**Gaming and Enthusiast**

Longer-term opportunity:

**Data center**

95% of revenue, EBITDA margin of >30%

5% of revenue, investing for long-term growth

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

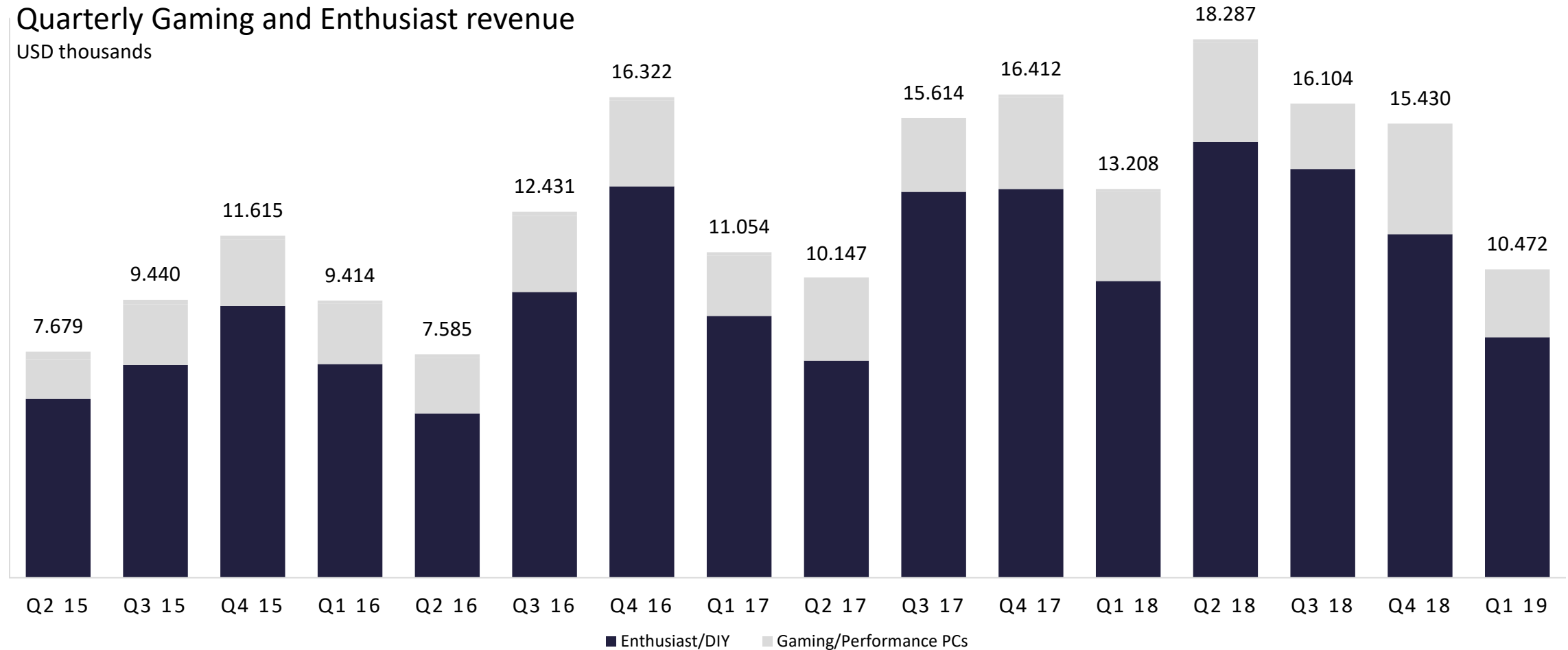
IP platform: Applications | Technology | Systems | Products | Patents | High-volume manufacturing | World wide hub infrastructure | Brand

# Enthusiasts represent largest market



## Quarterly Gaming and Enthusiast revenue

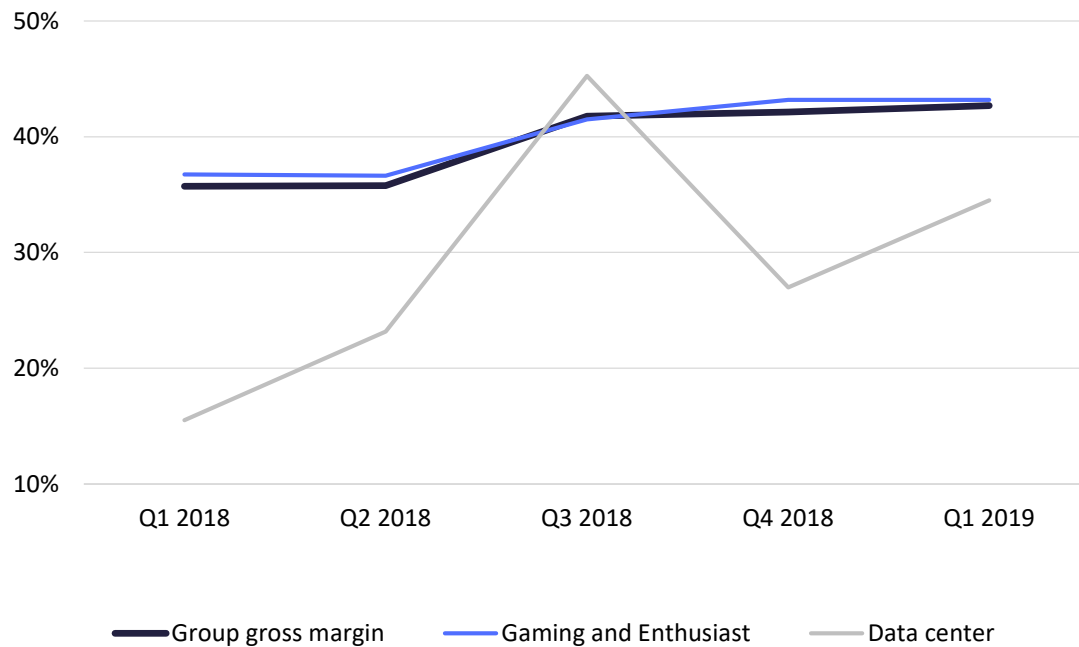
USD thousands



# Margin development

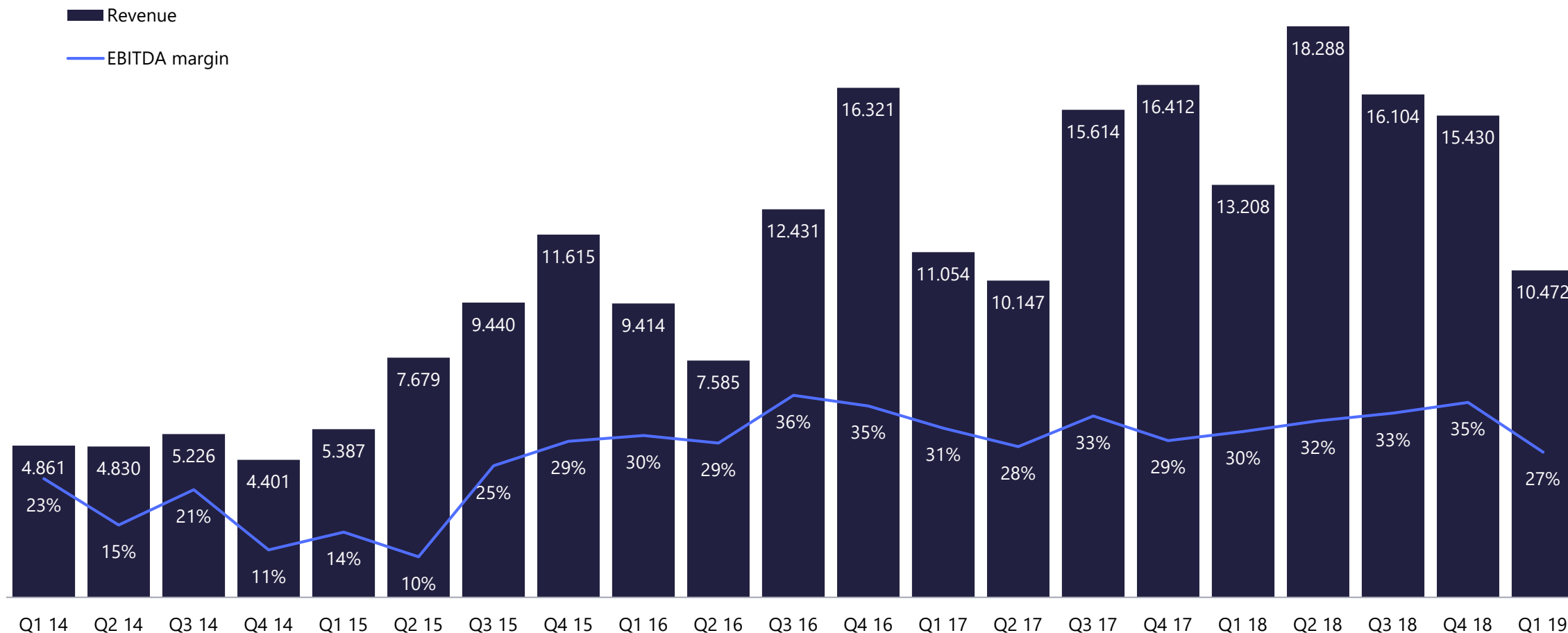


## Quarterly gross margin development

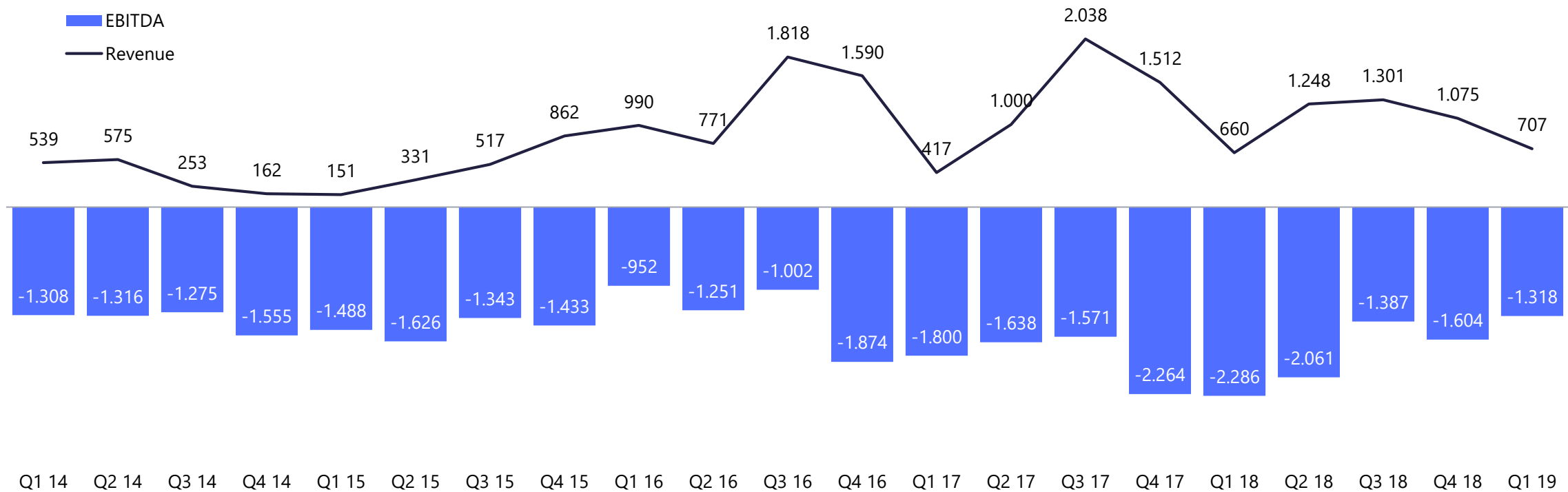


- Q1 2019 group gross margin grew to 42.7% (35.7%)
  - Driven by higher average selling prices on new, high-performance Gaming and Enthusiasts products and a stronger USD
- Gaming and Enthusiast gross margin increased to 43.2% (36.7%)
- Data center gross margin increased to 34.5% (15.5%)

# Gaming and Enthusiast earnings development

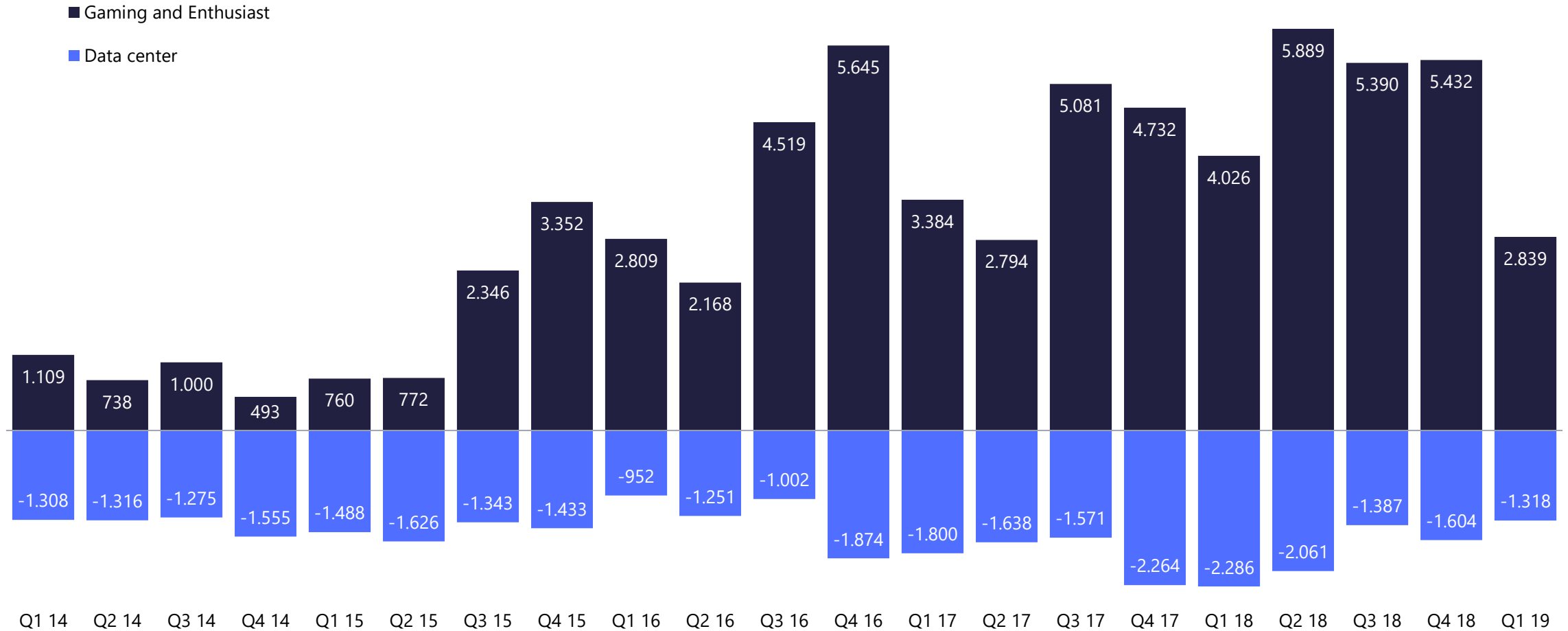


# Data center earnings development





# Group EBITDA development



# Income statement



USD thousands	Q1 2019			Q1 2018		
	Group	Gaming and Enthusiast	Data center	Group	Gaming and Enthusiast	Data center
Revenue	11,179	10,472	707	13,868	13,208	660
Gross margin	42.7%	43.2%	34.5%	35.7%	36.7%	15.5%
<b>Gross profit</b>	<b>4,769</b>	<b>4 525</b>	<b>244</b>	<b>4,955</b>	<b>4 853</b>	<b>102</b>
Total operating expenses*	3,248	1,686	1,562	3,215	827	2,388
<b>EBITDA adjusted</b>	<b>1,521</b>	<b>2,839</b>	<b>-1,318</b>	<b>1,740</b>	<b>4,026</b>	<b>-2,286</b>
Depreciation*	1,023	504	519	848	458	390
Share based compensation	237	116	121	300	74	226
<b>EBIT</b>	<b>261</b>	<b>2,219</b>	<b>-1,958</b>	<b>592</b>	<b>3,494</b>	<b>-2,902</b>
EBIT margin	2.3%	21.2%	N/A	4.3%	26.5%	N/A
HQ, Litigation expenses, net	697			325		
HQ, Share based compensation	81			113		
HQ, Other	509			536		
<b>Headquarters costs</b>	<b>1,287</b>			<b>974</b>		
<b>EBIT, total</b>	<b>-1,026</b>			<b>-382</b>		
<b>Income per share (in USD)</b>	<b>(0.03)</b>			<b>(0.04)</b>		

- Revenue reflected fewer unit shipments in the Gaming and Enthusiast segment due to a softer market for PC's and components
- Improved gross margins on on new, high-performance Gaming and Enthusiasts products and stronger USD
- Increase in resources allocated to Gaming and Enthusiast segment
- Decrease in resources allocated to Data center segment
- Impact from adopting IFRS 16 January 1 and recognition of operating leases on the balance sheet
  - Lease liabilities and corresponding leased assets increased by USD 3.2 million
  - Depreciation includes USD 140,000 which previously was considered as operating expense

\*Due to lease accounting change effective January 1, 2019, \$140,000 of operating lease costs previously recorded as 'Other operating expenses' was recognized as a depreciation expense

# Cash flow statement



USD thousands	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Income (loss) for the period	-821	867	1,624	2,143	-962
Depreciation, amortization and impairment	1,023	1,070	779	993	848
Finance cost (income) and taxes	-41	211	479	271	10
Share based compensation	317	336	280	247	413
Changes in current assets other than cash	5,244	-2,839	1,445	-5,520	3,412
Changes in payables and accrued liabilities	-2,127	1,293	-1,932	2,379	-4,004
<b>Net cash provided by (used in) operating activities</b>	<b>3,595</b>	<b>938</b>	<b>2,675</b>	<b>513</b>	<b>-283</b>
Additions to intangible assets	-360	-621	-329	-313	-482
Purchase of property and equipment	-420	-349	-352	-464	-749
<b>Net cash used in investing activities</b>	<b>-780</b>	<b>-970</b>	<b>-681</b>	<b>-777</b>	<b>-1,231</b>
Proceeds from debt issuance, other LT liabilities					
Cash flows on credit lines/debt/lease	-132	-127	-46	-63	-91
Issuance of capital / conv debt / dividend	25	-2	85	289	410
<b>Net cash provided by (used in) financing activities</b>	<b>-107</b>	<b>-129</b>	<b>39</b>	<b>226</b>	<b>319</b>
Effect of exchange rate changes on cash and cash equivalents	-56	-10	-123	-806	529
<b>Net changes in cash and cash equivalents</b>	<b>2,652</b>	<b>-171</b>	<b>1,910</b>	<b>-844</b>	<b>-666</b>
Cash and cash equivalents at beginning of period	18,627	18,798	16,888	17,732	18,398
<b>Cash and cash equivalents at end of period</b>	<b>21,279</b>	<b>18,627</b>	<b>18,798</b>	<b>16,888</b>	<b>17,732</b>

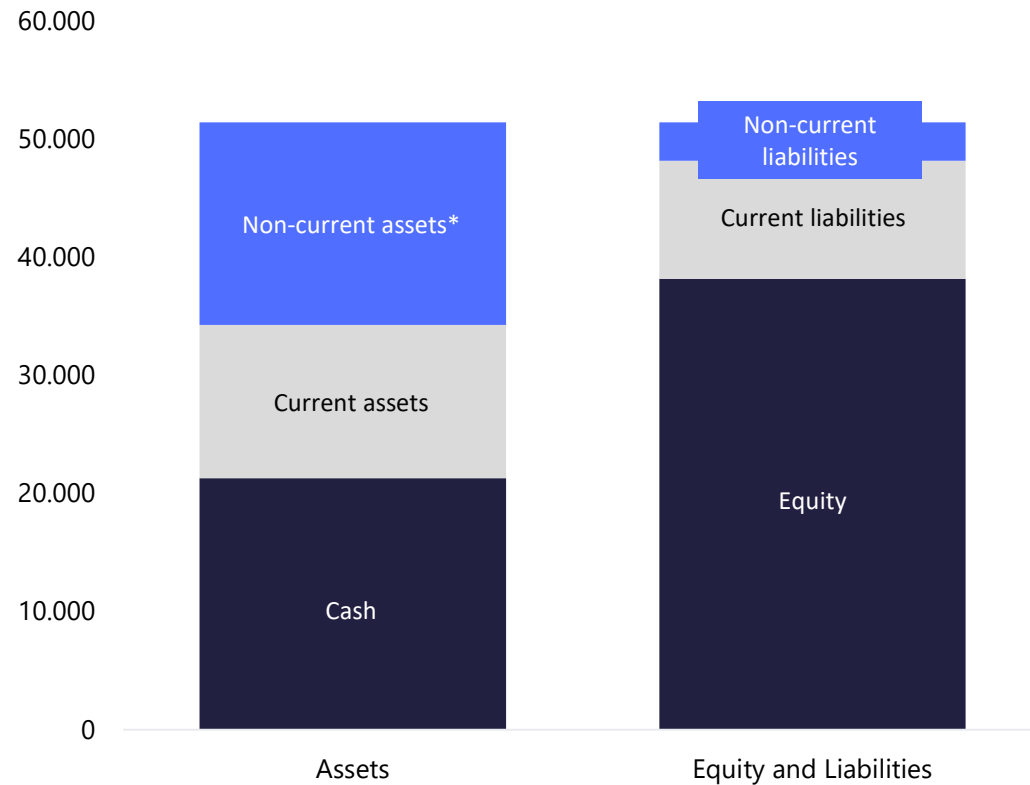


# Balance sheet



## Balance sheet composition

USD thousands



- Strong cash position
- Low interest-bearing debt
- Lean balance sheet enabling growth and financial flexibility
- IFRS 16 implementation

\* Non-current assets contain mainly capitalized R&D and deferred taxes



# Building a gaming and enthusiast brand



# Building a gaming and enthusiast brand



## Currently

Asetek's OEM customers' brands are promoted while the Asetek brand have become more anonymous



## Going forward

- We will put our brand forward without compromising our customers' brand
- Dual-branding and brand-behind-the-brand strategies available
- Introducing new and high-end products to live the brand and go back to our roots
- In-house PC-enthusiasts and branding experts hired
- Largest ever marketing department
- Establishing eSports Academy...





**REGISTRATION  
OPENS SOON**

# **COOLNATION**

**MASTERS**

# Recent product launches and events



## Asetek Introduces 645LT AIO CPU Liquid Cooler Built Specifically for Small Form Factor Systems



“Hardware-savvy gamers, enthusiasts and Esports athletes all want peak performance and reliability from their hardware to drive an immersive gaming experience. For enthusiasts working with constrained space, excess heat becomes even more of a challenge. We took that challenge to heart and used our research and design prowess to innovate the 645LT AIO, combining our most advanced pump design with unique space saving tube designs ideal for small form factor systems.”

- John Hamill, COO

## Asetek Esport Academy Unveiled



“As part of a new strategy to get back in touch with our roots Asetek will be focusing our efforts on enthusiasts and gamers around the World. In our efforts to stay true to our roots we have dedicated a room at our HQ to gaming and Esports, allowing ambitious young gamers the opportunity to become the Esports stars of tomorrow.”

- Andre Sloth Eriksen, CEO





# Maintaining position in the data center market

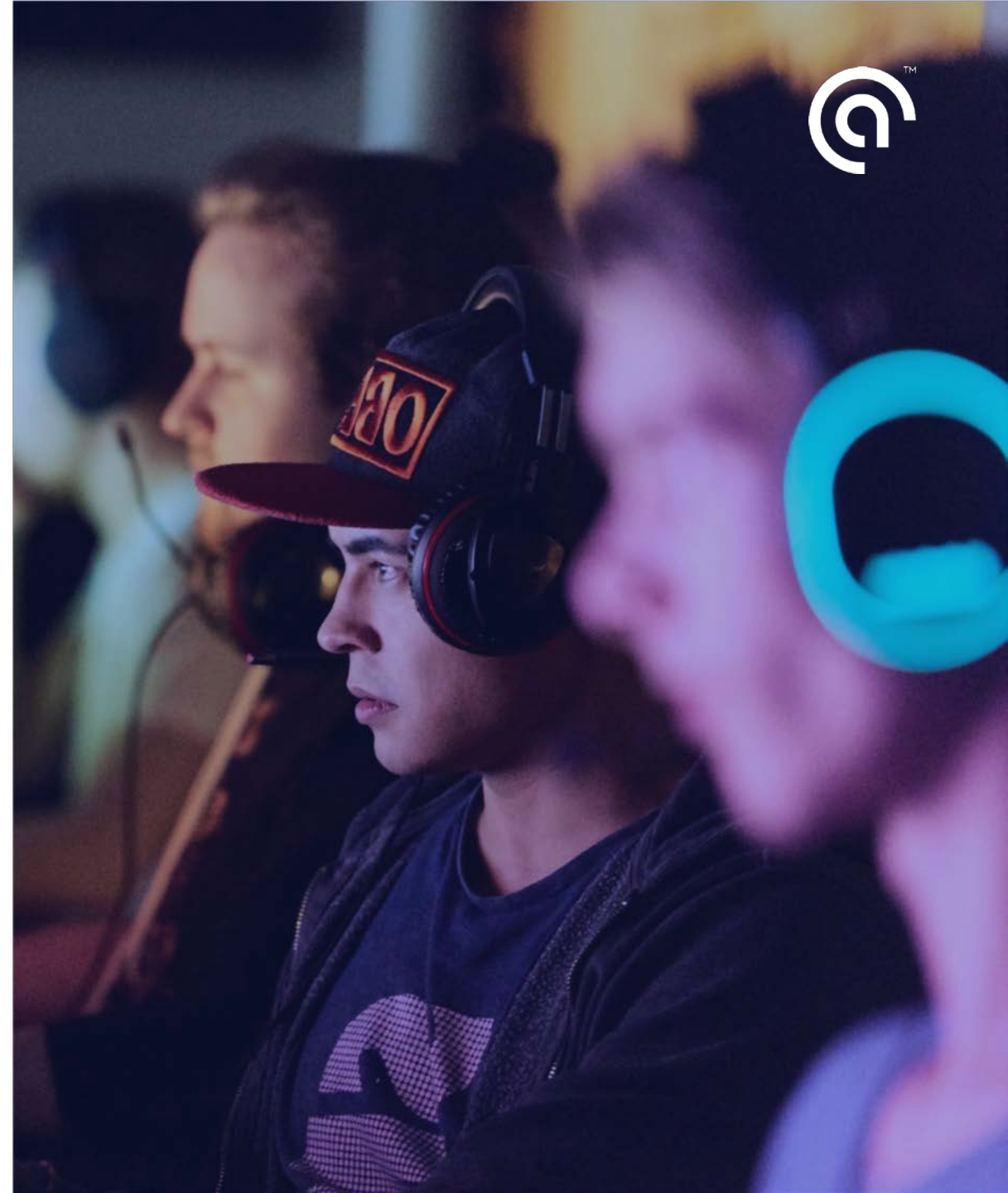


# Reaching out to decision makers to promote sustainable data centers



# Summary and outlook

- Q1 2019 reflected macro economic uncertainties which impacted PC and component markets
- Gaming and Enthusiast brand strategy implemented to expand leading position in long-term attractive growth market
- Improvement seen in the Gaming and Enthusiast market in the second quarter of 2019
- 2019 group revenue growth expectation of 0% to 10% reiterated



# Q&A







# Appendix



# For more than 20 years, thermal solutions from Asetek have been cooling processors around the globe...

Our AIO coolers can be found in the latest high-end gaming PCs and are sought-after by enthusiasts for their reliable operation, ease-of-use and pervasive cooling. They are also used in some of the fastest computers in the world to enable advances that drive our everyday lives.

# Strong platform for long-term growth



## Company facts

31 OEM customers | 6 million units shipped | ~100 employees  
FY'18 revenue of USD 67m , profitable and strong balance sheet  
Publicly listed company on Oslo Børs



# 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

Csaba Vesei

- 14+ years with IBM in numerous leadership roles, where he managed fulfillment, logistics, manufacturing planning, procurement, and supply chain functions
- MBA from Buckinghamshire Chilterns University, as well as a BSc in Information Technology from the College of Dunaujvaros



## 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 in organizations such as Med24, First4Skills and Survitec
- Holds an M.A. in Modern Middle Eastern Studies, Public Policy and Governance from the American University of Beirut and a Cand.mag. 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
- Currently Deputy 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.
- Analysis and implementation of investment and international marketing, market positioning and communication strategies.
- Mr. Smidt is currently a partner in Sunstone Technology Ventures Fund I, prior which his career includes 13 years with Nokia 6 years with Motorola
- 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
- 19 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	Q1 2019	Q1 2018	2018
	<i>Unaudited</i>	<i>Unaudited</i>	
Revenue	11,179	13,868	67,314
Cost of sales	6,410	8,913	41,142
<b>Gross profit</b>	4,769	4,955	26,172
Research and development	1,255	1,122	4,764
Selling, general and administrative	4,540	4,215	16,989
<b>Total operating expenses</b>	5,795	5,337	21,753
<b>Operating income</b>	-1,026	-382	4,419
Foreign exchange (loss) gain	164	-570	342
Finance income (costs)	48	-10	109
<b>Total financial income (expenses)</b>	212	-580	451
<b>Income before tax</b>	-814	-962	4,870
Income tax (expense) benefit	-7	0	-1,198
<b>Income for the period</b>	-821	-962	3,672
<i>Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation adjustments	-330	917	-169
<b>Total comprehensive income</b>	-1,151	-45	3,503
<b>Earnings per share (in USD):</b>			
Basic	-0.03	-0.04	0.14
Diluted	-0.03	-0.04	0.14

# Balance sheet



USD thousands	31.03.2019	31.12.2018
<b>ASSETS</b>	<i>Unaudited</i>	
<i>Non-current assets</i>		
Intangible assets	2,258	2,414
Property and equipment	7,238	4,103
Deferred income tax assets	7,346	7,458
Other assets	303	309
<b>Total non-current assets</b>	<b>17,145</b>	<b>14,284</b>
<i>Current assets</i>		
Inventory	2,518	2,862
Trade receivables and other	10,473	15,625
Cash and cash equivalents	21,279	18,627
<b>Total current assets</b>	<b>34,270</b>	<b>37,114</b>
<b>Total assets</b>	<b>51,415</b>	<b>51,398</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
Share capital	422	422
Retained earnings	37,227	37,704
Translation and other reserves	502	832
<b>Total equity</b>	<b>38,151</b>	<b>38,958</b>
<i>Non-current liabilities</i>		
Long-term debt	3,276	641
<b>Total non-current liabilities</b>	<b>3,276</b>	<b>641</b>
<i>Current liabilities</i>		
Short-term debt	1,493	980
Accrued liabilities	2,025	2,185
Accrued compensation & employee benefits	1,055	1,512
Trade payables	5,415	7,122
<b>Total current liabilities</b>	<b>9,988</b>	<b>11,799</b>
<b>Total liabilities</b>	<b>13,264</b>	<b>12,440</b>
<b>Total equity and liabilities</b>	<b>51,415</b>	<b>51,398</b>

# Cash flow statement



USD thousands	Q1 2019	Q1 2018	2018
<b>Cash flows from operating activities</b>			
Income for the period	-821	-962	3,672
Depreciation and amortization	1,023	848	3,690
Finance income	-59	-14	-205
Finance costs	11	24	96
Income tax expense (benefit)	7	0	1,198
Cash receipt (payment) for income tax	0	0	-118
Share based payments expense	317	413	1,276
Changes in trade receivables, inventories, other assets	5,244	3,412	-3,502
Changes in trade payables and accrued liabilities	-2,127	-4,004	-2,264
<b>Net cash provided by (used in) operating activities</b>	<b>3,595</b>	<b>-283</b>	<b>3,843</b>
<b>Cash flows from investing activities</b>			
Additions to intangible assets	-360	-482	-1,745
Purchase of property and equipment	-420	-749	-1,914
<b>Net cash used in investing activities</b>	<b>-780</b>	<b>-1,231</b>	<b>-3,659</b>
<b>Cash flows from financing activities</b>			
Funds drawn (paid) against line of credit	33	12	-6
Proceeds from issuance of share capital	25	410	782
Principal payments on capitalized leases	-165	-103	-321
<b>Net cash provided by (used in) financing activities</b>	<b>-107</b>	<b>319</b>	<b>455</b>
Effect of exchange rate changes on cash and cash equivalents	-56	529	-410
<b>Net changes in cash and cash equivalents</b>	<b>2,652</b>	<b>-666</b>	<b>229</b>
Cash and cash equivalents at beginning of period	18,627	18,398	18,398
<b>Cash and cash equivalents at end of period</b>	<b>21,279</b>	<b>17,732</b>	<b>18,627</b>
<b>Supplemental disclosures -</b>			
Property and equipment acquired under leases	119	0	134



# Statement of equity



USD thousands	Share capital	Translation reserves	Other reserves	Retained earnings	Total
<b>Equity at January 1, 2019</b>	422	836	-4	37,704	38,958
<b>Total comprehensive income - quarter ended March 31, 2019</b>					
Income for the period	0	0	0	-821	-821
Foreign currency translation adjustments	0	-330	0	0	-330
Total comprehensive income - quarter ended March 31, 2019	0	-330	0	-821	-1,151
<b>Transactions with owners - quarter ended March 31, 2019</b>					
Shares issued	0	0	0	26	26
Share based payment expense	0	0	0	318	318
Transactions with owners - quarter ended March 31, 2019	0	0	0	344	344
<b>Equity at March 31, 2019</b>	422	506	-4	37,227	38,151
<b>Equity at January 1, 2018</b>	419	1,005	-6	31,976	33,394
<b>Total comprehensive income - quarter ended March 31, 2018</b>					
Income for the period	0	0	0	-962	-962
Foreign currency translation adjustments	0	917	0	0	917
Total comprehensive income - quarter ended March 31, 2018	0	917	0	-962	-45
<b>Transactions with owners - quarter ended March 31, 2018</b>					
Shares issued	2	0	1	407	410
Share based payment expense	0	0	0	413	413
Transactions with owners - quarter ended March 31, 2018	2	0	1	820	823
<b>Equity at March 31, 2018</b>	421	1,922	-5	31,834	34,172

# Disclaimer



This presentation and its enclosures and appendices (jointly referred to as the “Presentation”) has been produced by Asetek A/S (the “Company”) and has been furnished to a limited audience (the “Recipient[s]”) on a confidential basis in connection with a potential securities issue by the Company. The content of this Presentation is not to be construed as legal, business, investment or tax advice, and has not been reviewed by any regulatory authority. Each Recipient should consult with its own legal, business, investment and tax adviser as to legal, business, investment and tax advice. The information cannot stand alone but must be seen in conjunction with the oral presentation and are expressed only as of the date hereof.

The Presentation may include certain statements, estimates and projections with respect to the business of the Company and its anticipated performance, the market and the competitors. However, no representations or warranties, expressed or implied, are made by the Company, its advisors or any of their respective group companies or such person’s officers or employees as to the accuracy or completeness of the information contained herein and such statements or estimates, no reliance should be placed on any information, including projections, estimates, targets and opinions contained herein, and no liability whatsoever is accepted by the Company as to any errors, omissions or misstatements contained herein. The information contained herein is subject to change, completion, or amendment without notice and the Company does not assume any obligation to update or correct the information included in this Presentation. Neither the delivery of this presentation nor any further discussions by the Company or any of its advisors with any of the Recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of the Presentation.

This presentation may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, “will”, “should”, “may”, “continue” and similar expressions. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; profit; margin, return on capital, cost or dividend targets; economic outlook and industry trends; developments of the Company’s markets; the impact of regulatory initiatives; and the strength of the Company’s competitors. The forward-looking statements contained in this presentation, including assumptions, opinions and views of the Company, are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third party sources. Although the Company believes that these assumptions were reasonable when made, the statements provided in this presentation are solely opinions and forecasts which are uncertain and subject to risks, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. A multitude of factors can cause actual results to differ significantly from any anticipated development expressed or implied in this document. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and you are cautioned not to place any undue reliance on any forward-looking statement. The distribution of this Presentation and the offering, subscription, purchase or sale of securities issued by the Company in certain jurisdictions is restricted by law. Persons into whose possession this Presentation may come are required by the Company to inform themselves about and to comply with all applicable laws and regulations in force in any jurisdiction in or from which it invests or receives or possesses this Presentation and must obtain any consent, approval or permission required under the laws and regulations in force in such jurisdiction, and the Company shall not have any responsibility or liability for these obligations. In particular, neither this presentation nor any copy of it may be taken or transmitted or distributed, directly or indirectly, into Australia, Canada, Hong Kong, Japan, Switzerland, United Kingdom or the United States unless pursuant to available exemptions from registration requirements.

In relation to the United States and U.S. persons, this Presentation is strictly confidential and is being furnished solely in reliance on applicable exemptions from the registration requirements under the U.S. Securities Act of 1933, as amended. The shares of the Company have not and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States, or to or for the account or benefit of U.S. persons, unless an exemption from the registration requirements of the U.S. Securities Act is available. Accordingly, any offer or sale of shares in the Company will only be offered or sold (i) within the United States, or to or for the account or benefit of U.S. persons, only to qualified institutional buyers (“QIBs”) in private placement transactions not involving a public offering and (ii) outside the United States in offshore transactions in accordance with Regulation S. Any purchaser of shares in the United States, or to or for the account of U.S. persons, will be deemed to have made certain representations and acknowledgements, including without limitation that the purchaser is a QIB. This Presentation and its contents are confidential and its distribution (which term shall include any form of communication) is restricted pursuant to section 21 (restrictions on financial promotion) of the Financial Services and Markets Act 2000 (as amended). In relation to the United Kingdom, this Presentation is only directed at, and may only be distributed to, persons who fall within the meaning of article 19 (investment professionals) and 49 (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (financial promotion) Order 2001 (as amended) or who are persons to whom the document may otherwise lawfully be distributed. This Presentation may only be distributed in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended).

The contents of this Presentation shall not be construed as legal, business or tax advice. Each reader of this Presentation should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in doubt about the contents of this Presentation, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

This Presentation is subject to Danish law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of the Danish courts.



[www.asetek.com](http://www.asetek.com)