



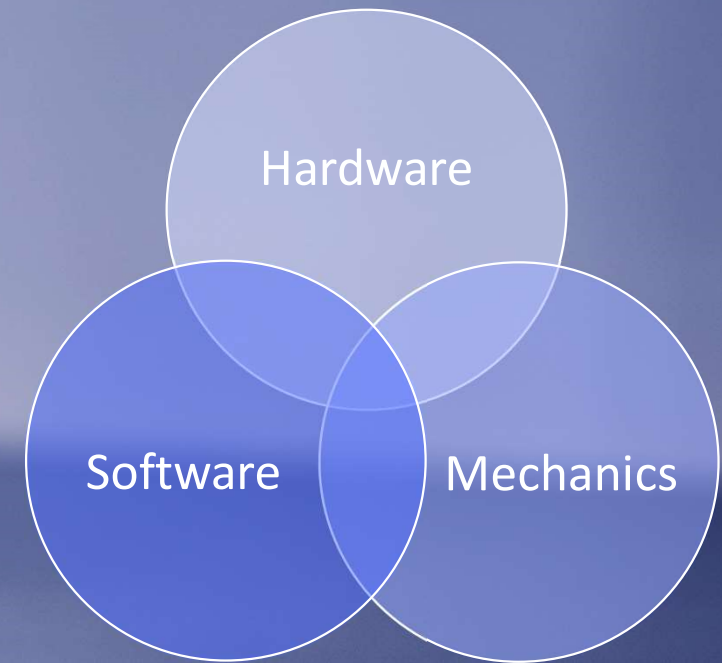
# Investor presentation

September 2021



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

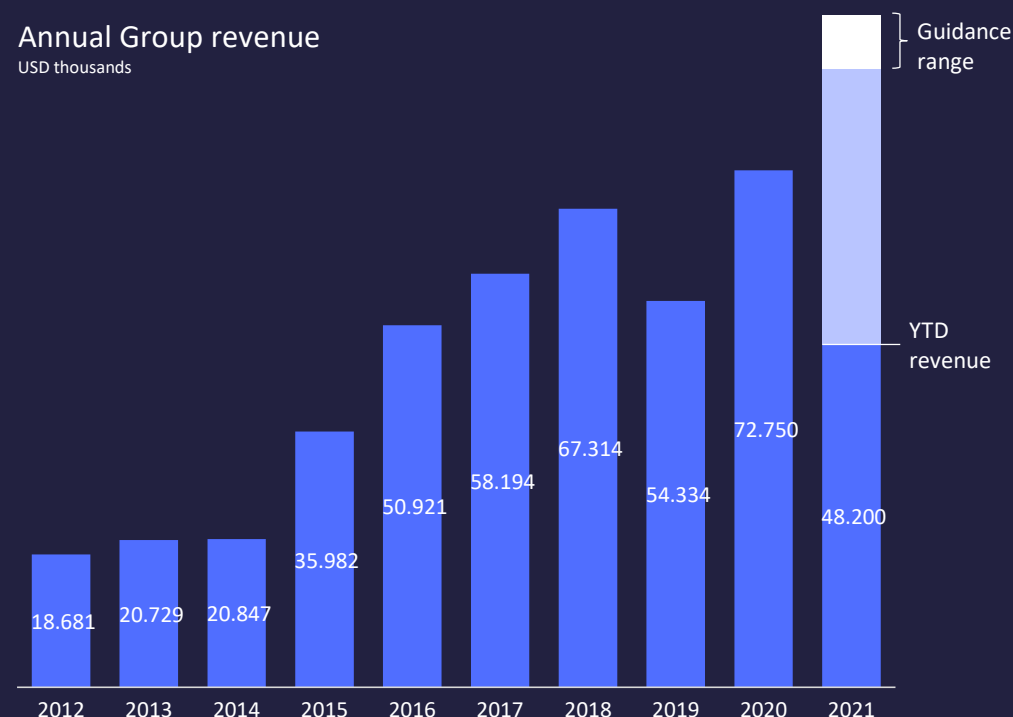
...founded on innovation and extensive mechatronics capabilities



# Revenue outlook unchanged

- 2021 group revenue expected to increase 20% to 30% compared with 2020
  - Equals annual revenue in the range of \$87 - \$95 million
  - Pipeline is record high and beyond guiding
  - Customers are getting nervous by increasing shipping rates, component shortage in the channel etc. moving and pushing orders around
  - We maintain our guidance in this situation. Very low visibility so best assumption
- Gross margin expected to normalize from 47% in 2020
  - Gross margin of 43% in H1 2021, compared to 51% in H1 2020
  - Long-term margin target remains at >40%
- Operating income of \$8 to \$12 million, compared to \$11 million in 2020
  - Adjusted from previous \$11 to \$16 million
- Uncertainty related to COVID-19 situation and shortage of semiconductor chips

Annual Group revenue  
USD thousands



# Global platform with integrated value chain supports growth and expansion



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

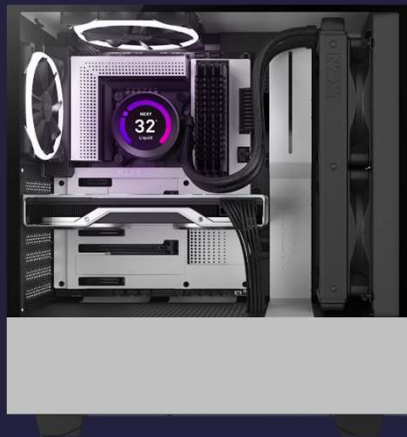
IP platform: Applications | Technology | Systems | Products | Patents | High-volume manufacturing | World-wide hub infrastructure

9 million units shipped | 157 employees | FY'20 revenue of USD 73m | Listed on Oslo Børs

# Our leading and innovative revenue generating business segments



Gaming and Enthusiast



Data center



Enthusiasts and do-it-yourself (DIY)

Gaming/Performance PCs

Data center

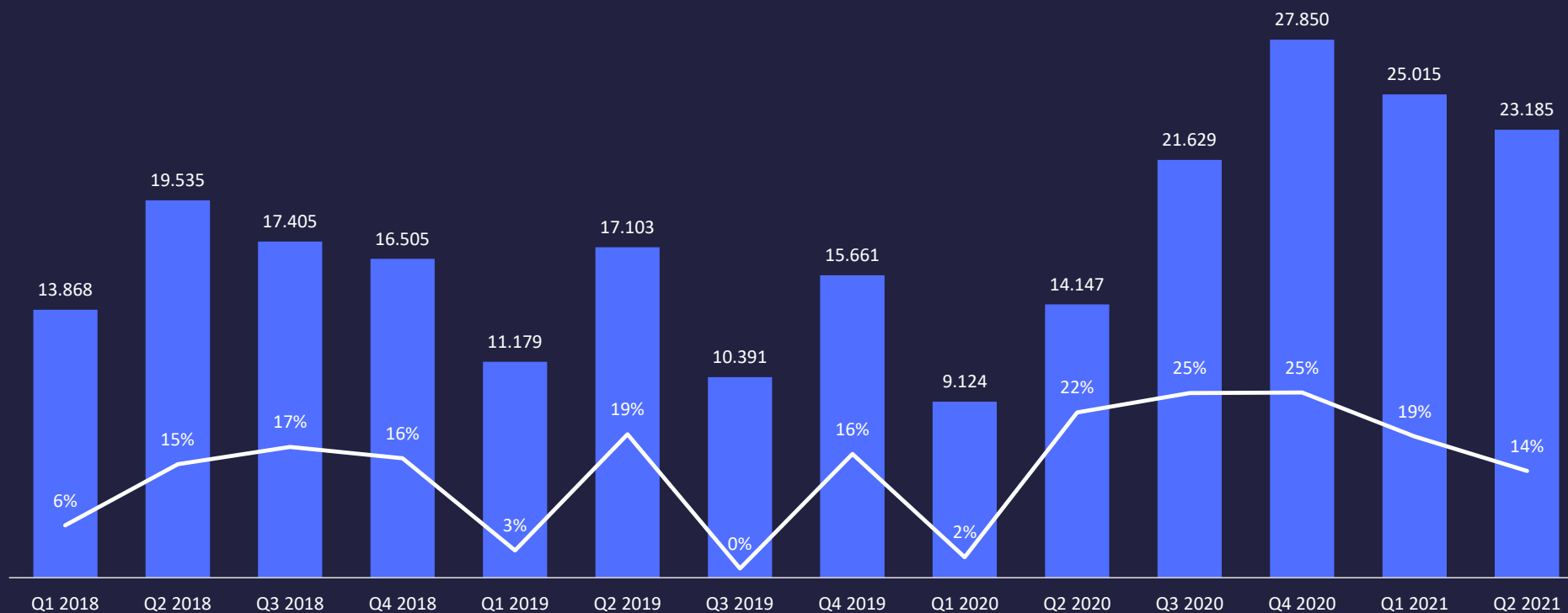
OEMs<sup>1</sup>



# Quarterly revenue development

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

USD thousands





# Gaming and Enthusiast

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# Continued strong G&E demand, margins reflecting growing SimSports investments

Revenue and EBITDA margin<sup>1</sup>

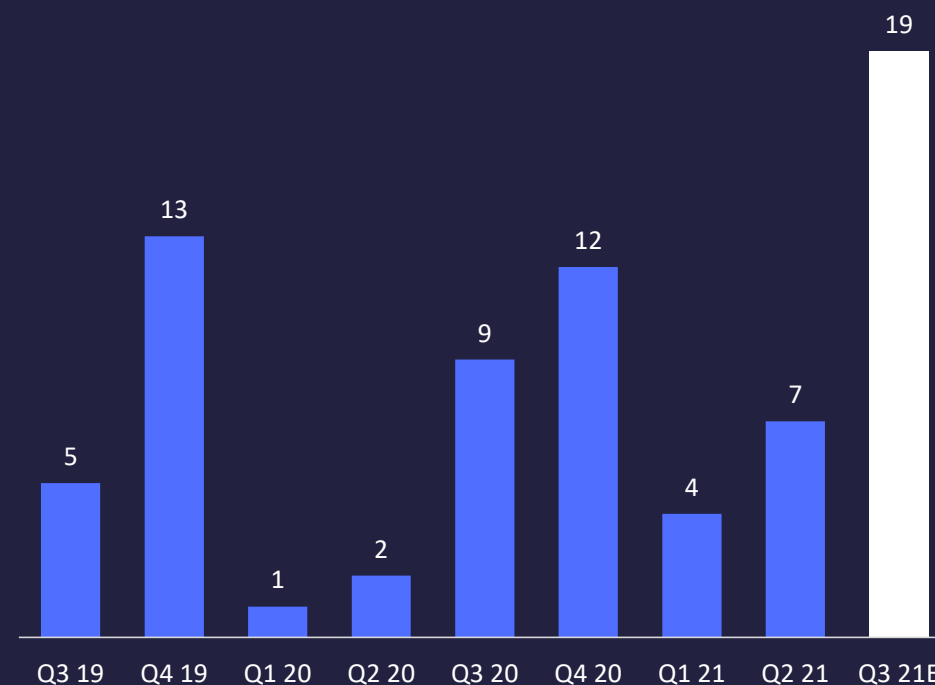
USD thousands





# High level of product release activity

- Seven new products started shipping in Q2 2021
  - Six to DIY customers and one to an OEM customer
- 19 new products estimated to start shipping in Q3 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
  - Participation in live events and live streams to communicate with the gaming community
  - Strong product development with performance, quality and reliability at core



# Wide and diversified base of Gaming and Enthusiast OEMs

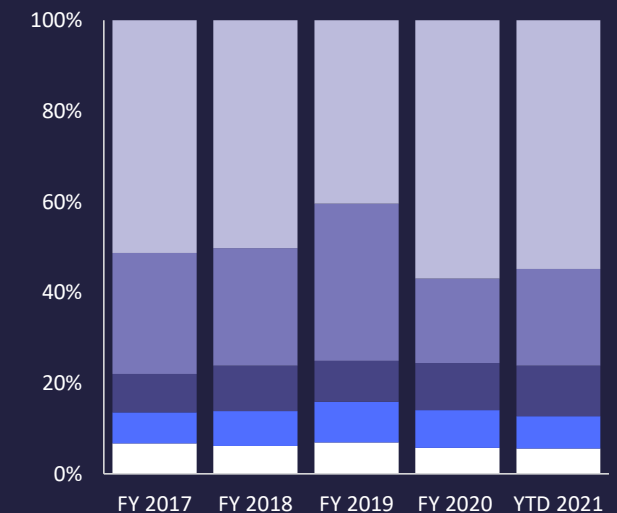


Top 5 Gaming and Enthusiast customers<sup>1</sup>

- Currently shipping to over 20 OEMs
- Top five represented 86% of Gaming and Enthusiast revenue in H1 2021, vs. 81% for full-year 2020
- The largest OEMs have benefited the most from demand increase since the onset of the pandemic
- Ambition to increase diversification with time
- Continuous monitoring and assessment of IP



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



# Continuous innovation focused on immersive gaming experiences



- Asetek liquid cooling technology powering several ASUS coolers introduced in Q2 2021
  - Second-generation line of ROG Ryujin CPU coolers
  - Line of ROG Strix LC II ARGB high performance CPU coolers
  - NVIDIA GeForce RTX 3080 Ti graphics card with enlarged cooling area covering both the GPU and the surrounding VRAM managing added thermal loads for NVIDIA Ampere architecture
- Supporting more immersive gaming experiences and higher performance via higher overclocking frequencies, silent operation and next-generation aesthetics



ROG Strix LC GeForce RTX™ 3080 Ti OC Edition with full-coverage cold plate cooling the GPU die and memory

# 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>• Focus on reducing single-customer dependency</li><li>• Co-branding agreements in place with several OEMs</li><li>• Connecting directly with gamers and enthusiasts via social media and online communities, such as Discord</li><li>• Positioning to monetize Asetek brand</li></ul> |



# SimSports





# Developing leading product offering for fast-growing SimSports gaming market



- Transforming into mainstream gaming and entertainment
  - Opportunity identified in Asetek eSports Academy and racing engagement
  - Highly complementary to established mechatronics capabilities
- 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
- \$10 million invested in IP, hardware and software
  - Enabling faster go-to-market with launch of new products from late 2021
  - Strengthening Gaming and Enthusiast product offering
- SimSports R&D investment of \$0.7 million in Q2 2021



# Strong strategic fit with Gaming and Enthusiasts segment



Gaming and Enthusiast

Data center



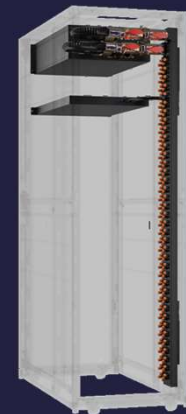
Enthusiasts and  
do-it-yourself (DIY)



Gaming/Performance  
PCs



SimSports



Enterprise

Competitive and committed gamers and enthusiasts

# SimSports product roll-out progressing on plan

- Product development progressing to plan with expected launch of pedals as first products in Q4
  - Limited volumes available for sale in 2021
- External prototype testing by leading Simracers to support final product development
- Marketing to increase towards official product launch
  - Prototypes and final equipment made available for testing and review by SimSports experts and influencers
  - Engaging with Simracing community
  - Engaging with automotive partners

*"Huge respect to Asetek, for their ambitions with Asetek SimSport. We share many of the same visions - so we look forward to Asetek developing the world's best Simracing equipment. We are testing their pedals and the level is insanely high!"*

- Kasper Heibøll, Co-founder at P1 Esport ApS



**Kasper Heibøll** • 3.+  
Co-founder at P1 Esport ApS  
2md. • 9

Kæmpe respekt til Asetek, for deres ambitioner med Asetek SimSport. Vi deler mange af de samme visioner - så vi glæder os til at Asetek får udviklet verdens bedste Simracing udstyr. Vi er igang med at teste deres pedaler og niveauet er helt vanvittigt højt.

Simracing handler om hundrededele og sekunder. Vores Pro Simracer, Andreas, ringede igår og fortalte han allerede havde fundet nogle hundrededele i Asetek SimSports pedalerne, ifht. hans nuværende!

Vi glæder os til at kunne tilbyde Asetek SimSport produkterne til medlemmer af P1 Esport.







# SimSports strategic development

| Goal   | Strategy  | Development and Outlook   |
|--|---|---|
| <b>Becoming a next-level immersive gaming experiences provider</b> | <ul style="list-style-type: none"><li>• Leverage core mechatronics capabilities and global supply chain</li><li>• Develop product offering based on acquired IP and technology</li><li>• Establish a thriving third growth segment in a fragmented market</li></ul> | <ul style="list-style-type: none"><li>• Initial focus on innovation and product development</li><li>• Finalize market and channel strategies, including direct sales, online resellers, motorsports shops etc.</li><li>• Aiming to announce first products in Q4 2021 and launch a wider offering during 2022 and 2023</li><li>• Supported by brand platform and reputation for performance, quality, reliability and immersive experiences</li></ul> |

# Margin perspectives

## External actions and events



- Cost prices impacted by high FX rates (~2% higher CNY/USD compared with Q1)
- Component price increases in spot markets as Asetek prioritizes the ability to serve customers, and hedge the supply chain
- Increased pressure from customers to participate in tariff mitigation (stable ASPs beyond product mix)



## Margin impact

### Gross Margin

2 %-point margin decline  
(~\$1.5 million)

## Internal actions and priorities



- Accelerating SimSports investments to get more products to market faster and enable partnerships etc.
- Investing more in Gaming Enthusiast products to facilitate future revenue growth
- Increased spending on intellectual property defence amid post pandemic lock-down



### OPEX

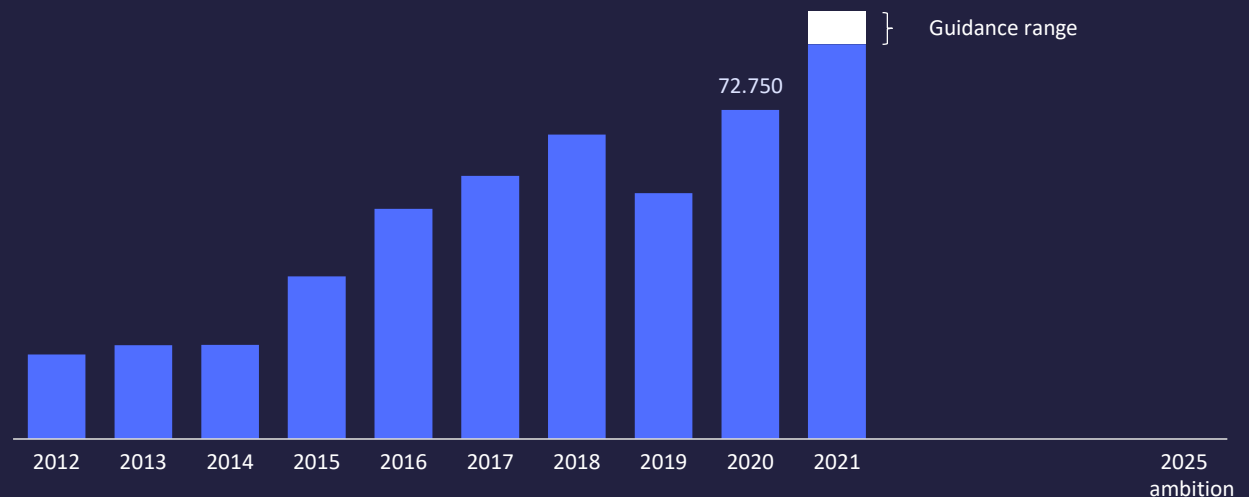
2 %-point margin impact  
(~\$1.5 million)



# Summary and outlook

- Record Group revenue expected for FY 2021
- Driven by strong demand for Gaming and Enthusiast products
- Continued near-term low visibility for Data Center activity, long-term potential supported by new EU proposal
- Development of SimSports offering progressing to plan with launch of first products in Q4 2021
- On track to deliver on 2025 revenue ambition

Annual Group revenue  
USD thousands



1) Long-term growth ambition measures from FY 2020

# Q&A

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