

yubico

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Q3

interim report

January – September 2023



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Quarter

- Net sales increased by 4.4 percent to SEK 410.7 (393.2) million, corresponding to an increase of 1.8 percent in local currencies
- Subscription sales accounted for 15.1 (9.0) percent of net sales
- Gross profit amounted to SEK 359.8 (337.7) million, corresponding to a gross margin of 87.6 (85.9) percent
- Adjusted EBIT amounted to SEK 19.1 (73.6) million, corresponding to an adjusted EBIT margin of 4.7 (18.7) percent. Items affecting comparability amounted to SEK -93.9 million and consists of costs relating to the merger of ACQ and Yubico (see note 4)
- EBIT amounted to SEK -74.8 (73.6) million, corresponding to an EBIT margin of -18.2 (18.7) percent
- Earnings per share after dilution amounted to SEK -1.29 (1.39)
- Bookings increased by 19.4 percent to SEK 399.6 (334.7) million, corresponding to an increase of 19.8 percent in local currencies
- Subscription bookings accounted for 14.5 (18.3) percent of bookings
- ARR (annual recurring revenue) amounted to SEK 255.3 (184.8) million, an increase of 38.2 percent

Year to date

- Net sales increased by 17.6 percent to SEK 1,284.3 (1,092.5) million, corresponding to an increase of 11.2 percent in local currencies
- Subscription sales accounted for 13.8 (8.0) percent of net sales
- Gross profit amounted to SEK 1,112.2 (928.5) million, corresponding to a gross margin of 86.6 (85.0) percent
- Adjusted EBIT amounted to SEK 193.3 (147.8) million, corresponding to an EBIT margin of 15.1 (13.5) percent. Adjustment of SEK 93.9 million is made due to transaction costs related to the merger of ACQ and Yubico in Q3
- EBIT amounted to SEK 99.5 (147.8) million, corresponding to an EBIT margin of 7.7 (13.5) percent
- Earnings per share after dilution amounted to SEK 1.26 (2.86)
- Bookings decreased by 4.6 percent to SEK 1,155.9 (1,211.3) million, corresponding to a decrease of 10.8 percent in local currencies, relating to exceptionally high bookings in the second quarter of last year
- Subscription bookings accounted for 12.5 (14.7) percent of bookings

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Significant events during the quarter

- The merger between ACQ and Yubico was completed September 20 and trading in the shares of Yubico commenced the same day on Nasdaq First North Growth Market. The last day of trading on Nasdaq Stockholm in the name of ACQ was September 19
- In the transaction, a total of 49,797,095 ACQ shares was paid as merger consideration, representing approximately 59% of the total number of shares and votes in the combined company. In addition, SEK 3,803 million in cash was paid as merger consideration, see further details in note 4
- Mattias Danielsson was appointed CEO of the combined company in connection with the merger transaction
- The combined company's name is Yubico AB and the limits for the share capital and number of shares have been increased as of September 20, based on the decisions on the EGM held in June
- An EGM was held September 19, electing Stina Ehrensverd, Gösta Johannesson, Paul Madera and Ram Shriram as new board members and re-elected Patrik Tigerschiöld (chairman) and Eola Änggård Runsten
- The EGM also resolved to implement a long-term incentive program for 2023 based on performance stock units (PSU:s). The maximum number of PSUs that may be awarded is 700,000, equal to a maximum dilution for 0.80 percent of current shareholders.

Significant events after the end of the quarter

- In October a SEK 86 million order was closed with one of the Company's long-standing high-tech customers and will be delivered during 2024
- October 10, 2023, the nomination committee for Yubico's 2024 Annual General Meeting was appointed. See investors.yubico.com for more information.

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Quarterly Summary

MSEK	Q3			Jan-Sep			Full-year	
	2023	2022	Δ%	2023	2022	Δ%	LTM	2022
Net sales	410.7	393.2	4.4	1,284.3	1,092.5	17.6	1,752.8	1,561.0
whereof subscription sales, %	15.1	9.0		13.8	8.0		11.6	9.0
Gross profit	359.8	337.7	6.6	1,112.2	928.5	19.8	1,500.0	1,316.3
Gross margin, %	87.6	85.9		86.6	85.0		85.6	84.3
Adjusted EBITDA ¹	22.7	76.3	-70.2	202.9	155.9	30.2	273.5	226.5
Adjusted EBITDA margin (%) ¹	5.5	19.4		15.8	14.3		15.6	14.5
EBITDA	-71.1	76.3	-193.2	109.1	155.9	-30.0	179.6	226.5
EBITDA margin, %	-17.3	19.4		8.5	14.3		10.2	14.5
Adjusted EBIT ¹	19.1	73.6	-74.0	193.3	147.8	30.8	260.7	215.3
Adjusted EBIT margin (%) ¹	4.7	18.7		15.1	13.5		14.9	13.8
EBIT	-74.8	73.6	-201.6	99.5	147.8	-32.7	166.9	215.3
EBIT margin, %	-18.2	18.7		7.7	13.5		9.5	13.8
Net result	-68.3	71.1	-196.0	64.0	146.0	-56.2	173.4	255.5
Earnings per share, before dilution	-1.29	1.44	-189.7	1.26	2.96	-57.5	3.47	5.17
Earnings per share, after dilution	-1.29	1.39	-192.7	1.26	2.86	-56.1	3.40	5.00
Net cash	539.1	198.4	171.8	539.1	198.4	171.8		231.5
Bookings	399.6	334.7	19.4	1,155.9	1,211.3	-4.6	1,528.8	1,584.2
whereof subscription bookings, %	14.5	18.3		12.5	14.7		13.7	15.3
ARR	255.3	184.8	38.2	255.3	184.8	38.2		204.7

¹ Adjusted for effects from transaction related costs.

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A historic time for Yubico

The merger with ACQ Bure that was announced in April 2023 was finalized as the company went public on September 20 on Nasdaq, Stockholm. The week prior, 400 of the 430 Yubico team members met for four days in Prague for an all-team event to connect, be inspired and plan for the next chapter of our journey. Yubico continues to see good progress on new product developments and strategic integrations. Customer orders in Q4 are off to a strong start, including a SEK 86 million order from one of the Company's long-standing high-tech customers. The Company's long-term targets and the guidance for 2023 communicated in the 2023 Q2 report remain unchanged.

Financials and sales

Net sales in Q3 2023 increased by 4.4 percent year-over-year to SEK 410.7 million. Gross margin improved to 87.6 percent, and EBIT adjusted for transaction costs was SEK 19.1 vs SEK 73.6 million in Q3 2022.

Bookings in the third quarter 2023 grew by 19.4 percent compared to Q3 2022. Due to an exceptionally large order in Q2 2022, order bookings year to date are down by 4.6 percent compared to the first three quarters of 2022.

Subscription sales represented 14.5 percent of the order bookings in Q3 2023 vs 18.3 percent subscription bookings in Q3 2022, adding SEK 12.5 million in net new Annual Recurring Revenue (ARR) during Q3 2023. Total ARR stood at SEK 255.3 million at the end of Q3 2023.

The growth in customer orders in Q3 2023 came from a wide set of customers across multiple industries and geographies. Strong growth during the quarter included telecommunication companies and the public sector in the US and Polish markets.

Strategic integrations and new product development

Yubico is working directly with several strategic technology partners to ensure that our current and future customers can implement phishing-resistant multifactor authentication (MFA) and strong encryption, easily and across as many services as possible. Below are a few examples of this critical effort.

Seamless integration with leading identity and platform providers - In early October, Yubico announced an industry-first, FIDO pre-registration service that will be able to deliver YubiKeys with user login credentials already defined. This was announced in limited early access with Okta, creating a seamless passwordless and phishing-resistant, passkey-based MFA for users. Another example of seamless integrations of YubiKeys is HYPR's authentication platform, serving customers with a focus on the financial industry.

European Digital Identity Wallet - Earlier in the spring, Yubico was invited by the European Commission and Swedish government agencies to help shape a next generation digital identity (DI) system that the EU aims to roll out to all EU citizens by 2026. A working demo of the world's first web-based EU DI wallet supporting YubiKeys and FIDO Security Keys was presented late September for selected project members.

Protecting secrets on servers - Based on the same hardware as the YubiKey Nano, but with different software, Yubico's YubiHSM is a minimized and cost efficient Hardware Security Module (HSM) to encrypt data on servers. New features are being developed that will make the YubiHSM work seamlessly across major cloud platform providers. These features are planned to

be presented at Amazon re:Invent in November. The market size of the global HSM is estimated at SEK18bn.

Cyber security trends

Yubico is pleased to see that governments and financial institutions across the world are taking actions on the cyber security controls that make the biggest difference. Recent examples include Goldman Sachs requesting phishing-resistant authentication, including YubiKeys and FIDO Security Keys for selected high value customer services. Starting December 15, 2023, all public US businesses are required by the Securities and Exchange Commission (SEC) to publish more detailed reports on cyber breaches and management, which is expected to further push public organizations to invest more in modern, phishing-resistant authentication.



Mattias Danielsson, CEO

Yubico is a global cybersecurity company that since 2016 has grown net sales by a compounded annual growth rate (“CAGR”) of 50 percent. Through its core product and invention, the YubiKey, Yubico solves the number one cybersecurity issue – use of stolen credentials. These cause 9 out of 10 cybersecurity intrusions, often through so called phishing attacks.

The YubiKey is a multi-factor authentication (MFA) hardware key ensuring that only authorized users have access to sensitive accounts and systems. The authentication solution encompasses an extensive portfolio of proprietary technologies.

To date, YubiKeys have been sold and deployed in more than 160 countries worldwide. Yubico’s customers include technology companies, financial services, manufacturing, retail, governments, and the wider public sector,

with customers such as Amazon, Google, Microsoft, and the State of Washington using YubiKeys to protect staff, endusers and sensitive information from cyberattacks.

YubiKeys have historically only been sold against a one-time payment, also known as on perpetual basis, which gives the customer ownership of the product throughout its lifetime. Since 2020, Yubico also offers a subscription-based model, in which Yubico assumes a larger overall responsibility and retains ownership of the hardware.

Yubico is headquartered in Stockholm, Sweden and Santa Clara, California with manufacturing located in both countries. The company is traded on Nasdaq First North Growth Market in Stockholm since September 20, 2023.

YUBICO’S OPPORTUNITIES, STRENGTHS AND COMPETITIVE ADVANTAGES



High market growth

Underlying global trends including increased number of cyberattacks, digital transformation, and larger investments in cybersecurity drive demand for Yubico’s solutions



Unique, proven technology

Yubico’s solutions are the gold standard for modern phishing-resistant multi-factor authentication and are used by thousands of businesses and millions of consumers in 160+ countries around the world



Attractive growth potential

High potential to continue expanding with both current and new customers through:

- New use cases
- New industry verticals
- Customers' customers and third-party suppliers



Solid organization setup

Yubico has an experienced global management team with deep industry knowledge. Several of the management members have been with the company for over a decade

1.8_{bn}

Net sales (SEK)
last twelve months

427

employees
per end of last quarter

VISION

Making the internet safer with strong authentication for all

86%

Gross margin
last twelve months

160+

markets
Global presence

VALUE PROPOSITION

Stop phishing attacks and account takeovers in the easiest possible way

Q3

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Net sales, quarterly and 12-month rolling, SEK million



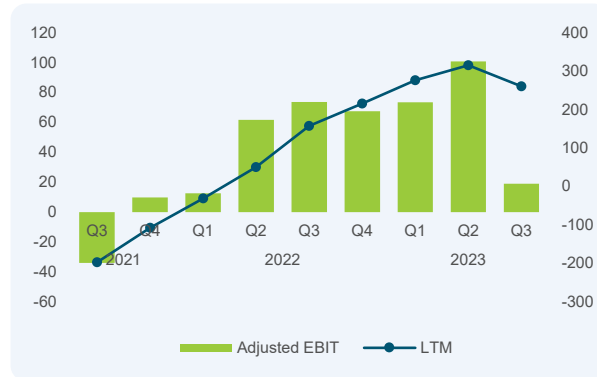
Net sales

July-September

Net sales increased 4.4 percent to SEK 410.7 (393.2) million, corresponding to an increase of 1.8 percent in local currencies and subscription sales represented 15.1 percent (9.0) of net sales.

72.2 percent (82.5) of net sales originated in Americas, 20.4 percent (14.4) in EMEA, and 7.4 percent (3.1) in Asia Pacific. All geographies and customer segments are developing well. Strong growth during the quarter included telecommunication companies and the public sector in the US and Polish markets. The lower growth rate vs last year as well as the reduction in net sales related to Americas, refers to last year's exceptionally large order, which was delivered mainly in the third and fourth quarters.

Adj. EBIT, quarterly and 12 months rolling, SEK million



January-September

Net sales increased 17.6 percent to SEK 1,284.3 (1,092.3) million, corresponding to an increase of 11.2 percent in local currencies and subscription sales represented 13.8 percent (8.0) of net sales.

68.1 percent (75.8) of net sales originated in Americas, 24.4 percent (19.3) in EMEA and 7.5 percent (4.8) in Asia Pacific.

Gross profit

July-September

Gross profit increased 6.6 percent to SEK 359.8 (337.7) million, corresponding to a gross margin of 87.6 percent (85.9).

January-September

Gross profit increased 19.8 percent to SEK 1,112.2 (928.5) million, corresponding to a gross margin of 86.6 percent (85.0).

EBIT

July-September

Adjusted EBIT amounted to SEK 19.1 (73.6) million, corresponding to an EBIT margin of 4.7 percent (18.7). The adjustment relates to transaction costs in the merger of ACQ and Yubico, see note 4 for more details. Q3 being a slower quarter on net sales affecting the profitability despite the strong gross margin. Employee costs are growing in line with the organization, 13 percent increase in employees at the end of the period vs last year. Unrealized currency effects are affecting profit with the net amount SEK -1.7 (+28.4) million. EBIT amounted to SEK -74.8 (73.6) million, corresponding to an EBIT margin of -18.2 percent (18.7).

January-September

Adjusted EBIT amounted to SEK 193.3 (147.8) million, corresponding to an EBIT margin of 15.1 percent (13.5). EBIT amounted to SEK 99.5 (147.8) million, corresponding to an EBIT margin of 7.7 percent (13.5).

Net profit/loss and earnings per share

July-September

The net profit/loss amounted to SEK -68.3 (71.1) million. The effective tax for the quarter was -3.1 percent (2.6). Due to the merger the parent company is in a tax position and cannot utilize the tax losses carried-forward for a period of five years.

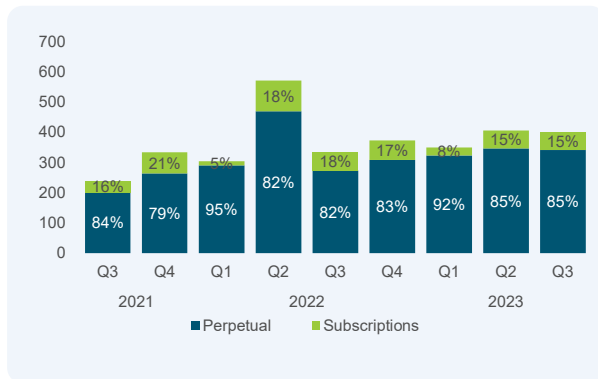
Earnings per share after dilution amounted to SEK -1.29 (1.39).

January-September

The net profit amounted to SEK 64.0 (146.0) million.

Earnings per share after dilution amounted to SEK 1.26 (2.86).

Bookings by quarter, SEK million



Bookings

July-September

Bookings increased 19.4 percent in the quarter, to SEK 399.6 (334.7) million, corresponding to an increase of 19.8 percent in local currencies. Subscription bookings amounted to SEK 57.9 (61.3) million, corresponding to 14.5 percent (18.3) of bookings.

January-September

Bookings decreased by 4.6 percent for the period, to SEK 1,155.9 (1,211.3) million, corresponding to a decrease of 10.8 percent in local currencies. Bookings in 2022 included an exceptionally large order in Q2 from one customer, amounting to 39 percent of that quarter's bookings.

Subscription bookings amounted to SEK 144.9 (177.6) million, corresponding to 12.5 percent (14.7) of bookings.

ARR, SEK million



Annual recurring revenue, ARR

ARR increased with 38.2 percent and amounted to SEK 255.3 (184.8) million at the end of the period. Yubico added SEK 12.5 million of net new ARR in the quarter and SEK 50.7 million from December 31, 2022.

Cash flow and financial position

July-September

Cash flow from operating activities during the quarter amounted to SEK -19.8 (-9.9) million. The buildup of inventory continued with SEK 61.3 million, to reduce the risk for shortage and delays in customer shipments. Accruals for transaction related costs reduced net working capital with SEK 51.3 million. Net change in working capital amounted to SEK -5.7 million.

Cash flow from investing activities amounted to SEK 3,420.1 (-3.4) million, whereof SEK 3,423.5 million relates to the merger. Cash flow from financing activities amounted to net SEK -3,236.5 (-2.1) million, whereof

SEK -3,239.5 million relates to the merger. See note 4 for further details on the merger transaction.

January-September

Cash flow from operating activities during the period amounted to SEK 115.2 (-8.2) million. Changes in working capital for the period amounted to SEK -51.4 million, where inventory buildup of SEK 242.3 million was partly compensated by positive effects from customer receivables in the beginning of the year. Cash flow from investing activities amounted to SEK 3,414.6 (-14.0) million. Cash flow from financing activities amounted to net SEK -3,239.6 (-4.7) million.

Cash and cash equivalents at the end of the period amounted to SEK 581.4 (253.6) million.

Net cash at the end of the period amounted to SEK 539.1 (198.4) million. Net cash consists of Cash and bank of SEK 581.4 (253.6) million less liabilities to credit institutions totaling SEK 42.3 (55.3) million.

Sustainability

Yubico's overall vision is to make secure login easy and available for everyone. From a societal perspective, IT security is essential to ensure safe communication and to protect customers, citizens and, by extension, democracies. Yubico responds to the United Nations Sustainable Development Goals (SDG) no.9 by supporting a resilient infrastructure, and SDG no.16 by supporting effective, accountable, and transparent institutions and public access to information.

For more detailed information relating to our sustainability work, see the Annual report for 2022.

Employees

The number of employees in the Yubico group at the end of the period was 427 (377).

Financial targets

The company has adopted the following financial targets in the long-term (within 5 years):

- Growth: Annual growth in bookings of 25 percent on average.
- Profitability: 20 percent EBIT margin.
- Dividend policy: For the foreseeable future, the Company will primarily use generated cash flows for investing in continued growth.

Guidance for 2023

The guidance for 2023 communicated in the 2023 Q2 report remain unchanged:

- Booking growth for full year 2023 may come somewhat short of the long-term financial target.
- EBIT-margin for 2023 is expected to be 5-15 percent, depending on development of subscription sales.

Risk management

Yubico works continuously to identify, evaluate, and manage risks in different systems and processes. Risk analyses are carried out continuously regarding normal operations and in connection with activities that are outside Yubico's regular quality system.

The risk and uncertainty factors for the group and the parent company, including business and financial risks, are described in the annual report for the financial year 2022. There have not been any changes in the risk and uncertainty factors for the group and the parent company since the publication of the last annual report.

Parent company

The Parent company's net sales for the January-September period of 2023 amounted to SEK 682.1 (398.4) million. Profit before tax was SEK 104.0 (124.3) million. Cash and cash equivalents at period end amounted to SEK 482.7 (170.3) million. The number of employees in the Parent Company at the end of the quarter was 121 (103).

Ownership and shares

Yubico Group AB's share is listed to the First North Growth Market under the ticker YUBICO. Certified advisor is FNCA.

As of September 30, 2023, the number of issued shares was 86,114,017. All shares were ordinary shares.

Long-term incentive program

The EGM held on September 19, decided to implement a long-term incentive program for 2023, based on performance stock units (PSUs) and includes up to approximately 440 senior executives, key personnel and other employees in the group. The maximum number of PSUs that may be awarded is 700,000. Each vested PSU entitles the holder to receive one share in the company. PSUs are vested yearly during a three-year period and subject to performance condition and continued employment. The maximum dilution for current shareholders is 0.80 percent of the current total number of outstanding shares.

The Board of Directors and CEO give their assurance that the interim report provides a fair review of the development of the Group's and Parent Company's operations, profit and financial position and describes the material risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Stockholm, November 10, 2023

Patrik Tigerschiöld
Chairman

Ramanujam Shriram

Stina Ehrensvärd

Gösta Johannesson

Eola Änggård Runsten

Paul Madera

Mattias Danielsson
CEO

Webcast/teleconference

Yubico will hold a webcast/conference call today, November 10, 2023, at 09:00 CET. Mattias Danielsson, CEO of Yubico and Camilla Öberg, CFO of Yubico will present and answer questions.

To participate in the conference, click on the following link <https://ir.financialhearings.com/yubico-q3-report-2023>. Via the webcast, you can ask written questions. If you wish to ask questions verbally, please register on the following link: <https://conference.financialhearings.com/teleconference/?id=5001293>.

Financial calendar

Year-end report: February 16, 2024

Interim report January – March: May 14, 2024

Annual General Meeting: May 14, 2024

Interim report January – June: August 15, 2024

Interim report January – September: November 14, 2024

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The information in this report has not been reviewed by the company's auditors.

The interim report includes such information that Yubico is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication on November 10, 2023, at 7.00am CET.

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Condensed consolidated statement of profit or loss

MSEK	Note	Q3		Jan-Sep		LTM	Full-year
		2023	2022	2023	2022	22/23	2022
Net sales	2	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
Other operating income		7.9	26.5	33.1	69.2	35.1	71.2
Operating income		418.6	419.7	1,317.4	1,161.7	1,787.8	1,632.1
Goods for resale		-50.9	-55.6	-172.1	-164.0	-252.8	-244.7
Other external costs		-79.1	-72.3	-217.9	-196.9	-202.6	-275.5
Employee benefit expenses		-256.7	-215.9	-704.0	-626.8	-912.0	-834.8
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-3.6	-2.8	-9.6	-8.1	-12.7	-11.2
Transaction related expenses	4	-93.9	-	-93.9	-	-93.9	-
Other operating expenses		-9.1	0.4	-20.5	-18.1	-53.1	-50.7
Operating profit/loss (EBIT)		-74.8	73.6	99.5	147.8	166.9	215.3
Net financial items		4.2	-0.5	2.7	4.4	3.4	5.1
Profit/loss before tax		-70.5	73.1	102.2	152.2	170.3	220.4
Tax on profit for the period	3	2.2	-1.9	-38.2	-6.2	3.1	35.1
Net profit/loss for the period		-68.3	71.1	64.0	146.0	173.4	255.5
Earnings per share before dilution, SEK		-1.29	1.44	1.26	2.96	3.47	5.17
Earnings per share after dilution, SEK		-1.29	1.39	1.26	2.86	3.40	5.00
Average number of shares before dilution		52.8	49.4	50.9	49.4	50.9	49.4
Average number of shares after dilution		52.8	51.0	50.9	51.0	50.9	51.0

Condensed consolidated statement of financial position

MSEK	Note	30 Sep		31 Dec
		2023	2022	2022
ASSETS				
Intangible fixed assets		7.8	11.3	10.2
Tangible fixed assets		34.4	30.0	32.3
Financial fixed assets	3	61.6	10.4	59.3
Total non-current assets		103.8	51.8	101.8
Inventories		414.7	193.5	168.3
Accounts receivable		260.3	342.2	418.4
Other current assets		208.6	87.9	149.9
Cash and bank		581.4	253.6	283.5
Total current assets		1,465.0	877.2	1,020.1
TOTAL ASSETS		1,568.9	929.0	1,121.9
EQUITY AND LIABILITIES				
Equity	4	1,073.5	623.5	732.6
Provisions		4.0	3.6	3.8
Non-current liabilities to credit institutions		29.3	42.3	39.0
Current liabilities to credit institutions		13.0	13.0	13.0
Accounts payable		71.6	34.1	85.7
Other current liabilities		377.5	212.6	247.7
Total liabilities		495.4	305.5	389.3
TOTAL EQUITY AND LIABILITIES		1,568.9	929.0	1,121.9

Condensed consolidated statement of changes in equity

MSEK	Note	30 Sep		31 Dec
		2023	2022	2022
Opening equity		732.6	435.7	435.7
Net profit/loss for the year		64.0	146.0	255.5
Translation differences		8.4	14.2	4.6
New share issue		9.7	2.1	2.0
New share issue in progress		-	2.8	3.8
Sale of warrants - incentive program		-	0.2	0.4
Value of share based compensation		29.8	22.5	30.6
Merger related transactions	4	229.0	-	-
Closing equity		1,073.5	623.5	732.6

Condensed consolidated statement of cash flows

MSEK	Note	Q3		Jan-Sep		LTM	Full-year
		2023	2022	2023	2022	22/23	2022
Operating activities							
Profit/loss after financial items		-70.5	73.1	102.2	152.2	170.3	220.4
Adjustments for non-cash items, etc.	4	57.4	-2.7	69.8	0.6	81.2	11.9
Income tax paid		-1.0	-0.9	-5.4	-2.7	-13.7	-11.0
Cash flow from operating activities before working capital changes		-14.1	69.5	166.6	150.1	237.8	221.3
Change in inventory		-61.3	21.3	-242.3	48.7	-229.2	61.8
Change in current receivables		2.7	-115.8	174.0	-178.8	25.6	-327.2
Change in current liabilities		53.0	15.2	16.9	-28.1	121.8	76.8
Cash flow from operating activities		-19.8	-9.9	115.2	-8.2	156.0	32.7
Cash flow from investing activities	4	3,420.1	-3.4	3,414.6	-14.0	3,409.8	-18.8
Cash flow from financing activities	4	-3,236.5	-2.1	-3,239.6	-4.7	-3,241.6	-6.7
Cash flow for the period		163.9	-15.4	290.3	-26.8	324.2	7.2
Cash and cash equivalents at the beginning of the period		416.0	260.4	283.5	264.5	253.6	264.5
Exchange rate differences in cash and cash equivalents		1.5	8.6	7.6	15.9	3.4	11.7
Cash and cash equivalents at the end of the period		581.4	253.6	581.4	253.6	581.4	283.5

Condensed Parent Company income statement

MSEK	Q3		Jan-Sep		LTM	Full-year
	2023	2022	2023	2022	22/23	2022
Net sales	168.1	96.1	650.0	331.1	977.6	658.7
Other operating income	7.5	26.2	32.1	67.3	33.6	68.8
Operating income	175.7	122.3	682.1	398.4	1,011.2	727.5
Goods for resale	-47.9	-34.4	-192.6	-106.0	-229.6	-143.0
Other external costs	-59.6	-19.8	-155.4	-56.2	-286.3	-187.1
Employee benefit expenses	-57.9	-32.7	-144.5	-100.4	-183.4	-139.3
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-2.2	-1.7	-6.0	-5.0	-7.8	-6.8
Transaction related expenses	-70.4	-	-70.4	-	-70.4	-
Other operating expenses	-9.1	0.4	-20.2	-18.0	-52.3	-50.1
Operating profit/loss (EBIT)	-71.4	34.0	93.0	112.9	181.3	201.1
Net financial items	7.2	2.0	11.0	11.4	14.5	14.9
Profit/loss before tax	-64.2	36.1	104.0	124.3	195.8	216.1
Tax on profit for the period	5.7	-	-29.0	-	16.6	45.6
Net profit/loss for the period	-58.5	36.1	75.0	124.3	212.4	261.7

Condensed Parent Company balance sheet

MSEK	30 Sep	30 Sep	31 Dec
	2023	2022	2022
ASSETS			
Intangible fixed assets	7.8	11.3	10.2
Tangible fixed assets	21.5	17.4	20.9
Participation in group companies	0.3	0.3	0.3
Receivables from group companies	144.1	147.7	137.6
Other Financial fixed assets	51.6	-	49.7
Total non-current assets	225.4	176.8	218.7
Inventories	275.9	65.9	80.5
Accounts receivable	34.9	22.1	46.7
Receivables from group companies	133.6	120.0	128.7
Other current assets	122.0	56.6	129.8
Cash and bank	482.7	170.3	217.7
Total current assets	1,049.1	434.9	603.4
TOTAL ASSETS	1,274.5	611.7	822.1
EQUITY AND LIABILITIES			
Restricted Equity	215.3	0.4	0.4
Non-restricted Equity	749.5	512.1	650.7
Total Equity	964.8	512.5	651.1
Non-current liabilities to credit institutions	29.3	42.3	39.0
Current liabilities to credit institutions	13.0	13.0	13.0
Accounts payable	67.0	20.7	75.8
Liabilities to group companies	102.1	4.4	-
Other current liabilities	98.5	18.8	43.2
Total liabilities	309.7	99.2	171.0
TOTAL EQUITY AND LIABILITIES	1,274.5	611.7	822.1

Note 1. Accounting policies

This interim report has been prepared in compliance with the Swedish Annual Accounts Act, and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3). The company's accounting policies are unchanged compared to the most recent annual report.

Note 2. Net sales

Net sales is distributed as follows:

MSEK	Q3		Jan-Sep		LTM	Full-year
	2023	2022	2023	2022	22/23	2022
Americas	296.7	324.5	874.7	828.4	1,211.2	1,164.9
EMEA	83.8	56.5	313.4	211.1	417.1	314.8
Asia Pacific	30.2	12.1	96.2	53.0	124.6	81.3
Total	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0

MSEK	Q3		Jan-Sep		LTM	Full-year
	2023	2022	2023	2022	22/23	2022
Perpetual	348.3	357.7	1,169.6	1,005.2	1,584.3	1,419.9
Subscription	62.4	35.5	114.7	87.3	168.5	141.1
Total	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0

Note 3. Tax

As of December 31, 2022, the parent company had tax losses carried-forward amounting to SEK 221.2 million. SEK 9.5 million was added related to the merger of ACQ, and total tax losses carried-forward per September was SEK 230.7 million. Total deferred tax asset amounting to SEK 47.6 million at the end of the period.

Due to the merger between the companies, SEK 221.2 million will be blocked for usage for the coming 5 years and will be available from 2028. The rest of the amount will be available from 2024.

Note 4. Merger between Yubico and ACQ Bure

On 19 April 2023 ACQ announced that ACQ and Yubico had entered into a merger agreement. The merger was completed 20 September with ACQ as the surviving company but under the name of Yubico AB. The last day for trading of ACQ on Nasdaq Stockholm was September 19 and Yubico's first day of trading on Nasdaq First North Growth Market was September 20. The merger between the companies was made with ACQ as the surviving company, with organization number 559278-6668, but from an accounting perspective, as a reverse merger. Thereby, ACQ is merged into Yubico's balances as per September 20 with the surviving historical numbers of Yubico (old company registration number 556720-8755).

Transaction related expenses

The group has recorded SEK 93.9 million of transaction-related expenses related to the merger, whereof SEK 50.9 million is not affecting cash. These consist of merger loss of SEK 36.8 million, personnel related expenses of SEK 29.3 million, cost for cancelled incentive programs of SEK 14.1 million and fees to advisors of SEK 13.7 million.

Cash flow effects

The net effect on the cash flow from the merger was SEK 183.9 million. This consists of SEK 3,423.5 million from investing activities relating to the cash balance of ACQ Bure at the time of the merger and SEK -3,239.5 million from financing activities relating to share placement of SEK 133.0 million, subscription for Yubico shares of SEK 430.4 million and cash consideration to Yubico shareholders of SEK -3,802.9 million.

The total value of the share placement was SEK 344.0 million, where SEK 211.0 million relates to Yubico shareholders shares sold to cover a debt related to exercise of stock options and warrant programs in the transaction.

Adjustment for non-cash items in the Statement of cash flows includes SEK 50.9 million of transaction related items, relating to the merger loss and cost for cancelled incentive programs.

Full equity specification for the period (KSEK)

	Share capital	New share issue in progress	Other contributed capital	Balanced income including the year's income	Total equity
Opening equity	394	3,838	795,316	-66,906	732,642
Net profit/loss for the period	-	-	-	63,951	63,951
Changes in carrying amounts accounted for directly in equity					
Translation differences	-	-	-	8,426	8,426
Total changes in carrying amounts accounted for directly in equity	-	-	-	8,426	8,426
Transactions with owners					
New share issue, exercise of options	3	-	9,721	-	9,724
Registration of share issue, exercise of options	1	-3,838	3,837	-	-
Employee stock options - value of employees' services	-	-	-	29,782	29,782
Merger related transactions					
New share issues	127,785	-	5,224	-	133,009
Merger adjustment	87,103	-	-87,103	-	-
Exercise of stock options and warrants	-	-	430,372	-	430,372
Market value of ACQ Bure in merger	-	-	3,468,500	-	3,468,500
Consideration to Yubico share holders	-	-	-3,802,912	-	-3,802,912
Total Merger related transactions	214,888	-	14,082	-	228,970
Total Transactions with owners	214,891	-3,838	27,640	29,782	268,475
Closing equity	215,285	-	822,956	35,253	1,073,493

Additional information

Quarterly figures

MSEK	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net sales	410.7	454.6	419.0	468.5	393.2	369.1	330.2	307.2	179.9
Net sales growth (%)	4.4	23.2	26.9	52.5	118.6	69.2	103.5	90.5	46.5
Net sales growth (adjusted for change in foreign currency) (%)	1.8	16.2	17.3	34.3	88.9	60.7	84.5	83.3	50.8
Subscription sales	61.9	62.4	52.3	53.8	35.5	32.7	19.1	24.7	13.5
Subscription sales of net sales (%)	15.1	13.7	12.5	11.5	9.0	8.9	5.8	8.0	7.5
Gross profit	359.8	390.6	361.8	387.8	337.7	312.7	278.1	240.2	148.9
Adjusted EBITDA	22.7	103.8	76.4	70.5	76.3	64.3	15.2	12.5	-31.5
EBITDA	-71.1	103.8	76.4	70.5	76.3	64.3	15.2	12.5	-31.5
Adjusted operating profit (EBIT)	19.1	100.8	73.4	67.5	73.6	61.7	12.6	9.8	-34.0
Operating profit (EBIT)	-74.8	100.8	73.4	67.5	73.6	61.7	12.6	9.8	-34.0
Net profit/loss for the period	-68.3	77.9	54.3	109.5	71.1	58.9	16.0	22.1	-33.0
Gross margin (%)	87.6	85.9	86.3	82.8	85.9	84.7	84.2	78.2	82.8
Adjusted EBITDA margin (%)	5.5	22.8	18.2	15.1	19.4	17.4	4.6	4.1	-17.5
EBITDA margin (%)	-17.3	22.8	18.2	15.1	19.4	17.4	4.6	4.1	-17.5
Adjusted EBIT margin (%)	4.7	22.2	17.5	14.4	18.7	16.7	3.8	3.2	-18.9
EBIT margin (%)	-18.2	22.2	17.5	14.4	18.7	16.7	3.8	3.2	-18.9
Net cash	539.1	370.5	392.7	231.5	198.4	201.9	150.8	199.5	232.6
Bookings	399.6	406.4	350.0	372.9	334.7	572.1	304.6	333.8	239.0
Bookings growth (%)	19.4	-29.0	14.9	11.7	40.0	98.0	69.8	47.0	-14.4
Bookings growth (adjusted for change in foreign currency) (%)	19.8	-34.9	3.0	-12.0	10.0	85.1	52.7	53.8	-7.6
Subscription bookings	57.9	60.0	27.0	64.1	61.3	102.3	14.0	69.6	37.3
Subscription share of bookings (%)	14.5	14.8	7.7	17.2	18.3	17.9	4.6	20.8	15.6
ARR	255.3	242.8	219.3	204.7	184.8	156.2	131.0	108.9	89.7

Key figures not defined in accordance with K3

Key figure	Definition	Purpose
Subscription sales	Net sales related to subscription.	Understand the magnitude of subscription revenue.
Subscription share of net sales	Subscription sales in relation to net sales.	Measure to analyse the magnitude of the subscriptions in relation to net sales
Net sales growth	Annual growth in net sales.	Used to measure the net sales growth in the company.
Net sales growth (adjusted for change in foreign currency)	Net sales growth adjusted for changes in foreign currency rates.	Used to measure comparable net sales growth excluding translation effects into foreign currency.
Gross profit	Net sales less cost of goods for resale.	Show the company's profitability from operations.
Gross margin	Gross profit as a percentage of net sales.	The measure is a complement to the gross profit, which only states the change in absolute figures (when different periods are compared). Gross margin is an indication of the Company's gross earnings capacity, over time.
Adjusted EBITDA	Operating profit/loss (EBIT) before depreciation, amortization, and impairments adjusted for items affecting comparability.	The measure is used since it shows the profitability before financial items, taxes, depreciation, amortization, and impairments and is used to analyse and the groups operating activities.
EBITDA	Operating profit/loss (EBIT) before depreciation, amortization, and impairments.	The measure is used since it shows the profitability before financial items, taxes, depreciation, amortization, and impairments and is used to analyse and the groups operating activities.
Adjusted EBITDA margin	Operating profit/loss (EBIT) before depreciation, amortization, and impairments in relation to net sales adjusted for items affecting comparability.	The measure is a complement to the EBITDA, which only states the change in absolute figures (when different periods are compared). EBITDA margin is an indication of the profitability of operations in relation to net sales, over time.
EBITDA margin	Operating profit/loss (EBIT) before depreciation, amortization, and impairments in relation to net sales.	The measure is a complement to the EBITDA, which only states the change in absolute figures (when different periods are compared). EBITDA margin is an indication of the profitability of operations in relation to net sales, over time.
Adjusted EBIT margin	Operating profit/loss (EBIT) in relation to net sales adjusted for items affecting comparability.	The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide understanding of the Group's financial performance both short and long term.
EBIT margin	Operating profit/loss (EBIT) in relation to net sales.	The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide understanding of the Group's financial performance both short and long term.
Net cash	Cash and cash equivalents less interest-bearing liabilities (liabilities to credit institutions).	Used to assess the company's ability to meet its financial obligations and level of debt.
Bookings	Total value of bookings received during the period.	Measure used to analyse the magnitude of increase in bookings.
Subscription bookings	Total value of subscription bookings received during the period.	Measure used to analyse the expected volume of future revenue related to subscription.
Subscription share of bookings	Subscription bookings in relation to total bookings.	Measure to understand the relation of subscription bookings in relation to total bookings.
Annual Recurring Revenue (ARR)	Total contract value related to subscription contracts as of the end of the reporting period, excluding one-time fees, divided by the term of the contract, translated based on the average foreign exchange rate on a rolling 12-month basis.	Management follows this measure as it is important to understand annualized revenue expected from subscribers.

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Q3

Interim report Jan-Sep 2023

Additional information

Reconciliation of key figures not defined in accordance with K3

MSEK	Q3		Jan-Sep		LTM	Full-year
	2023	2022	2023	2022	22/23	2022
Gross profit and gross margin						
Net sales	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
Goods for resale	-50.9	-55.6	-172.1	-164.0	-252.8	-244.7
Gross profit	359.8	337.7	1,112.2	928.5	1,500.0	1,316.3
Divided by Net sales	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
Gross margin	87.6%	85.9%	86.6%	85.0%	85.6%	84.3%
Adjusted EBITDA and adjusted EBITDA margin						
Operating profit (EBIT)	-74.8	73.6	99.5	147.8	166.9	215.3
Adjustment for items affecting comparability - transaction costs	93.9	-	93.9	-	93.9	-
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	3.6	2.8	9.6	8.1	12.7	11.2
Adjusted EBITDA	22.7	76.3	202.9	155.9	273.5	226.5
Divided by Net sales	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
Adjusted EBITDA margin	5.5%	19.4%	15.8%	14.3%	15.6%	14.5%
EBITDA and EBITDA margin						
Operating profit (EBIT)	-74.8	73.6	99.5	147.8	166.9	215.3
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	3.6	2.8	9.6	8.1	12.7	11.2
EBITDA	-71.1	76.3	109.1	155.9	179.6	226.5
Divided by Net sales	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
EBITDA margin	-17.3%	19.4%	8.5%	14.3%	10.2%	14.5%
Adjusted EBIT and adjusted EBIT margin						
Operating profit (EBIT)	-74.8	73.6	99.5	147.8	166.9	215.3
Adjustment for items affecting comparability - transaction costs	93.9	-	93.9	-	93.9	-
Adjusted EBIT	19.1	73.6	193.3	147.8	260.7	215.3
Divided by Net sales	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
Adjusted EBIT margin	4.7%	18.7%	15.1%	13.5%	14.9%	13.8%
EBIT margin						
Operating profit (EBIT)	-74.8	73.6	99.5	147.8	166.9	215.3
Divided by Net sales	410.7	393.2	1,284.3	1,092.5	1,752.8	1,561.0
EBIT margin	-18.2%	18.7%	7.7%	13.5%	9.5%	13.8%
Net sales growth (adjusted for change in foreign currency)						
Total Net sales growth	4.4%		19.8%			
whereof change in foreign currency	2.6%		8.6%			
whereof growth adjusted for change in foreign currency	1.8%		11.2%			

Q3

Interim report Jan-Sep 2023

Reconciliation of key figures not defined in accordance with K3, continued

MSEK	30 Sep	30 Sep	31 Dec
	2023	2022	2022
<i>Net cash</i>			
Cash and bank	581.4	253.6	283.5
Non-current liabilities to credit institutions	-29.3	-42.3	-39.0
Current liabilities to credit institutions	-13.0	-13.0	-13.0
Net cash	539.1	198.4	231.5

