

Alternative performance measures

The alternative performance measures (APM) set out in the section “*Key financials*” in the above press release are not defined under K3. These are used by Yubico as Yubico believes that these APMs provides valuable information for investors and other stakeholders to evaluate the financial performance of Yubico. As not all companies calculate financial measures in the same way, they are not always comparable with similar measures used by other companies. These measures should therefore not be regarded as a substitute for measures defined under K3. The APMs have been extracted both from the financial statements and Yubico’s internal accounting system that have not been audited.

The use of APMs is useful to investors for the following reasons:

To provide investors with insight into management’s decision-making because management uses these measures to run the business and make financial, strategic, and operating decisions. APMs provide investors with additional information that enables a comparison of year-over-year and in many cases, inclusion of APMs may also facilitate comparison with other companies’ corresponding APMs.

APM not defined in accordance with K3	Definition	Purpose
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.
Subscription sales	Net sales related to subscription.	Measure to 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

EBITDA	Operating profit/loss (EBIT) before depreciation, amortization, and impairments.	figures (when different periods are compared). Gross margin is an indication of the Company's gross earnings capacity, over time. The measure is used since it shows the profitability before financial items, taxes, depreciation, amortization, and impairments and is used to analyse the groups operating activities.
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.
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.
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.

Summary of historical financial information for Yubico

This appendix contains selected consolidated historical information regarding Yubico for the financial years 2020, 2021 and 2022. The information has been sourced from Yubico's audited consolidated financial statements for 2022, which have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice (BFNAR 2012:1) (Sw. *BFNAR 2012:1 Årsredovisning och koncernredovisning*). Hence, the information has not been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU, and is thus not necessarily comparable with other companies.

Income statement – Group	Financial year ending 31 December		
	2022	2021	2020
<i>SEK thousands</i>			
Net sales	1,560,977	867,226	606,111
Other operating income	71,154	29,677	5,782
	1,632,131	896,903	611,893
Operating expenses			
Goods for resale	-244,714	-157,603	-83,515
Other external expenses	-275,500	-194,639	-143,605
Personnel expenses	-834,818	-583,123	-585,146
Depreciation, amortization and impairments	-11,161	-9,917	-6,962
Other operating expenses	-50,654	-18,595	-23,030
Operating profit/loss	215,284	-66,974	-230,365
Net result from financial items			
Interest income and similar items	7,208	12,316	69
Interest expense and similar items	-2,117	-1,803	-2,382
Profit/loss after financial items	220,375	-56,461	-232,678
Profit/loss before tax	220,375	-56,461	-232,678
Income taxes	35,083	-3,796	-4,572
Profit/loss for the period	255,458	-60,257	-237,250

Balance sheet - Group

<i>SEK thousands</i>	<i>2022-12-31</i>	<i>2021-12-31</i>	<i>2020-12-31</i>
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Patents and licenses	10,169	13,175	14,899
	10,169	13,175	14,899
<i>Tangible fixed assets</i>			
Equipment, tools and installations	32,280	20,865	18,824
	32,280	20,865	18,824
<i>Financial non-current assets</i>			
Deferred tax assets	52,874	6,061	
Other long-term receivables	6,460	1,654	2,502
	59,334	7,715	2 502
Total non-current assets	101,783	41,755	36,225
Current assets			
<i>Inventories etc</i>			
Raw materials and supplies	50,283	48,655	43,370
Work in progress	114,991	140,724	146,616
Finished products and goods purchased for resale	3,049	19,025	8,601
	168,323	208,404	198,587
<i>Short-term receivables</i>			
Trade receivables	418,385	133,014	177,040
Current tax assets	5,200	4,462	4,502
Other receivables	101,541	54,732	5,423
Pre-paid expenses and accrued income	43,183	28,987	15,945
	568,309	221,195	202,910
<i>Cash and cash equivalents</i>			
Cash and cash equivalents	283,492	264,499	317,813
	283,492	264,499	317,813
Total current assets	1,020,124	694,098	719,310
Total assets	1,121,907	735,853	755,535

Balance sheet - Group

<i>SEK thousands</i>	<i>2022-12-31</i>	<i>2021-12-31</i>	<i>2020-12-31</i>
Equity and Liabilities			
Equity			
Share capital	394	394	391
Other contributed capital	799,153	792,872	782,950
Retained earnings incl. profit/loss for the period	-66,905	-357,545	-317,130
Total equity	732,642	435,721	466,211
Provisions			
Deferred tax liability	3,837	2,895	
	3,837	2,895	
Non-current liabilities			
Other liabilities to credit institutions	39,000	52,000	
	39,000	52,000	
Current liabilities			
Liabilities to credit institutions	13,000	13,000	65,000
Prepayments from customers	19,054	25,561	36,422
Trade payables	85,743	40,075	27,273
Current tax liabilities	1,153	-	-
Other liabilities	30,665	34,426	19,056
Accrued expenses and deferred income	196,813	132,175	141,573
	346,428	245,237	289,324
TOTAL EQUITY AND LIABILITIES	1,121,907	735,853	755,535

Statement of cash flows - Group

Financial year ending 31 December

	2022	2021	2020
<i>SEK thousands</i>			
Operating activities			
Profit/loss after financial items	220,375	-56,461	-232,678
Adjustment for non-cash items	11,923	22,035	66,090
	232,298	-34,426	-166,588
Taxes paid	-10,965	-3,756	-4,722
Cash flow from operating activities before changes in working capital	221,333	-38,182	-171,310
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) of inventories	61,849	-9,817	-65,656
Increase(-)/Decrease(+) of operating receivables	-327,179	-16,142	-92,034
Increase(+)/Decrease(-) of operating liabilities	76,817	10,808	68,885
Cash flow from operating activities	32,820	-53,333	-260,115
Investing activities			
Acquisition of tangible fixed assets	-18,325	-8,048	123
Disposal of tangible fixed assets	416	-	-
Acquisition of intangible assets	-425	-1,146	-9,104
Investment and divestment of financial assets	-440	1,000	2,573
Cash flow from investing activities	-18,774	-8,194	-6,408
Financing activities			
Share issue	6,281	9,925	311,573
Repayment of debt	-13,000	-	-
Cash flow from financing activities	-6,719	9,925	311,573
Cashflow for the year	7,327	-51,602	45,050
Cash and cash equivalents beginning of the year	264,499	317,813	277,640
Exchange rate differences in cash and cash equivalents	11,666	-1,712	-4,878
Cash and cash equivalents end of the year	283,492	264,499	317,812

Stockholm, 18 April 2023

To the independent members of the Board of ACQ Bure AB

ACQ Bure AB ("ACQ Bure") is contemplating acquiring all shares in Yubico AB ("Yubico") (the "Transaction"). The Transaction is intended to be consummated by means of a statutory merger where ACQ Bure will be the surviving entity.

We understand that ACQ Bure, Yubico and certain shareholders of Yubico have, subject to contract, agreed on a transaction consideration corresponding to USD 800 million for all shares in Yubico on a fully diluted basis (the "Transaction Consideration"). The Transaction Consideration at completion of the Transaction will consist of cash and newly issued shares in ACQ Bure. We note that cash and cash equivalents and short-term investments accounted for SEK 3,448.4 million out of ACQ Bure's total assets of SEK 3,450.7 million as at 31 March, 2023. For further information about the Transaction and the Transaction Consideration, please refer to ACQ Bure's press release.

The independent members of the Board of ACQ Bure has assigned Handelsbanken Capital Markets to render an opinion as to the fairness, from a financial point of view, of the Transaction Consideration.

In accordance with customary investment banking practice, Handelsbanken has employed generally accepted valuation methodology in rendering its fairness opinion from a financial point of view, including:

- compared the financial performance of Yubico with that of certain other publicly traded companies comparable with Yubico, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- conducted a discounted cash flow analysis based on estimated future free cash flows of Yubico;
- performed such other analyses, reviewed such other information and considered such other factors as Handelsbanken deemed appropriate.

In connection with rendering the fairness opinion, Handelsbanken, among other things:

- reviewed publicly available annual reports and certain publicly available financial statements and other business and financial information of Yubico;
- reviewed certain internal financial statements, including financial statements for the fiscal year 2022, and other financial and operating data concerning Yubico;
- reviewed certain financial projections prepared by the management of Yubico as well as Yubico's short to medium term financial targets;
- discussed the past and current operations and financial condition and the prospects of Yubico with senior executives of Yubico;

- reviewed certain due diligence materials prepared by advisors to ACQ Bure regarding Yubico.

We have received a draft of the statutory merger agreement, but do not opine on the said agreement other than our opinion on the fairness of the Transaction Consideration (set forth in the statutory merger agreement), from a financial point of view.

We have not conducted any due diligence in order to verify the accuracy of the information received from ACQ Bure, Yubico or elsewhere and we have not made any independent evaluation or assessment of the assets and liabilities of Yubico. Without independent verification by us, we have relied upon that all of the financial and other information reviewed by us as a basis for this opinion in all material aspects are correct and accurate and that no information of material importance for the evaluation of Yubico's future earnings capacity or for our overall assessment has been omitted or not presented to us.

Our opinion is based on the Swedish regulatory system and upon current market, economic, financial and other conditions as well as information made available to us as of the date hereof. Any change in such conditions may require a re-evaluation of this opinion.

Based upon and subject to the foregoing, we are of the opinion that the Transaction Consideration as of the date hereof, from a financial point of view, is fair to the shareholders of ACQ Bure.

Handelsbanken Capital Markets is a business area within Svenska Handelsbanken AB with operations within securities trading and brokerage, equity research and corporate finance. Within the framework of its normal operations within securities trading and brokerage, Handelsbanken Capital Markets may, at any point in time, hold long or short positions in, and may for own or clients' accounts trade in, shares and other securities related to ACQ Bure. In addition, Svenska Handelsbanken AB may have granted credits to ACQ Bure and may hold equity related securities in ACQ Bure as security.

We will receive a fixed fee for this opinion irrespective if the Transaction is announced or completed.

It is understood that this letter is for the information of the independent members of the Board of ACQ Bure only in connection with their evaluation of the Transaction and should thereof not be interpreted as a recommendation to the shareholders of ACQ Bure. The letter may not be used, quoted, reproduced or be used for any other purpose without prior written consent from us, except that a copy of this opinion may be included in its entirety in any press release, regulatory and/or information materials that the independent members of the Board or the Board of Directors of ACQ Bure is required to make in connection with the Transaction. This opinion is subject to Swedish substantive law and any dispute in respect of this opinion shall be resolved exclusively by Swedish court of law.

This is a translation of the fairness opinion written in Swedish. It is for information purposes only and does not constitute a part of the opinion. For the avoidance of doubt, in the case of any inconsistency or ambiguity between the Swedish language version and the English translation, the Swedish language version shall prevail.

Handelsbanken Capital Markets
Corporate Finance