

yubico

**ADMISSION TO TRADING OF SHARES IN
YUBICO AB ON
NASDAQ STOCKHOLM**

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared in connection with the application by Yubico AB, reg. no. 559278-6668, for admission to trading of the shares in Yubico on Nasdaq Stockholm. In this Prospectus, the "**Company**", "**Yubico**" and the "**Group**" all refer to Yubico AB, the group in which Yubico AB is the parent company or Yubico AB's subsidiaries, depending on the context. In certain historical contexts, the former Yubico AB, reg. no. 556720-8755, which merged with the Company in September 2023, is also included. For definitions of certain terms used in the Prospectus see section "**Definitions**" below.

Swedish law applies to the Prospectus. Disputes arising from the Prospectus and related legal proceedings shall be settled exclusively by Swedish courts.

The Prospectus has been prepared in both Swedish and English language versions. The Swedish language version is referred to as the "**Swedish Prospectus**". The Swedish Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as competent authority in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). The SFSA grants approval to the Swedish Prospectus solely on the condition that it complies with the requirements pertaining to completeness, comprehensibility, and consistency as outlined in the Prospectus Regulation. This approval should not be construed as an endorsement of Yubico or of the quality of the securities referenced in this Prospectus. The Prospectus has been prepared as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. Investors are encouraged to exercise their own judgment when considering the suitability of investing in these securities.

As of the date of the Prospectus, the shares in Yubico are admitted to trading on Nasdaq First North Growth Market ("**First North**"). The last day of trading on First North is expected to be 4 December 2024. The first day of trading on Nasdaq Stockholm is expected to be 5 December 2024. The shares in Yubico are currently traded under the ticker YUBICO and will, upon listing on Nasdaq Stockholm, continue to be traded under the same ticker.

The Prospectus has been prepared solely in connection with the application for admission to trading of the shares in Yubico on Nasdaq Stockholm and does not contain any offer to subscribe for or otherwise acquire shares or other financial instruments in the Company, whether in Sweden or any other jurisdiction. This Prospectus, marketing material or other material related to the Prospectus may not be distributed or published in any jurisdiction other than in accordance with applicable laws and regulations. Anyone who may be in possession of this Prospectus is required to inform themselves about and observe these restrictions, in particular not to publish or distribute the Prospectus in violation of applicable laws and regulations. Actions in violation of these restrictions may constitute a violation of applicable securities laws.

No person is authorized to provide any information or make any statements other than those contained in this Prospectus. If any such information or statements are made, they must not be relied upon as having been authorized by Yubico and the Company accepts no responsibility for such information or statements. Neither the publication nor the distribution of this Prospectus, nor any transaction entered into in connection with this Prospectus, shall be deemed to imply that the information in this Prospectus is correct and valid at any time other than as of the date of publication of this Prospectus or that there has been no change in Yubico's business after such date.

The shares in Yubico have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities legislation in any state or other jurisdiction in the United States (the "**U.S.**") and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of the relevant state or other jurisdiction of the U.S. The shares in Yubico have been neither been approved nor rejected by the United States Securities and Exchange Commission, any state securities authority or any other authority in the U.S. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. To assert the contrary is a criminal offence in the U.S.

This Prospectus is available at Yubico's office and website, www.yubico.com.

Forward-looking statements and risk factors

The Prospectus contains certain forward-looking statements that reflect Yubico's present view of future events as well as financial and operational development. Forward-looking statements are generally all statements other than statements that relate to historical facts or current facts or circumstances. Words such as "refer to", "try", "intends", "anticipate", "will", "assesses", "expects", "may", "plans", "estimate", "calculate" or, in each case, their negative counterparts or similar expressions or comparable terminology, or discussions of strategies, plans, objectives, goals, future events or intentions, identify certain such forward-looking statements. Other forward-looking statements can be identified by the context in which they are made. Forward-looking statements are inherently associated with both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements are not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking statements.

An investment in securities is subject to certain risks. Factors that could cause Yubico's future results and performance to differ from those expressed in the forward-looking statements include, but are not limited to, those described in the section entitled "**Risk factors**". In making an investment decision, investors must rely on their own judgement of Yubico, including the facts and risks involved. Prior to making an investment decision, potential investors should consult their own professional advisors and carefully evaluate and consider the investment decision. Yubico makes no commitment to release publicly any updates or revisions to any forward-looking statements as a result of new information, future events or similar circumstances, or if there are material changes to the information in the Prospectus after the Prospectus has been approved but before the admission to trading on Nasdaq Stockholm, other than as required by applicable law.

Industry and market information

This Prospectus contains certain information obtained from a third party. Although Yubico believes that these sources are reliable and that the information has been accurately presented in the Prospectus, Yubico has not independently verified the information, whereby its accuracy and completeness cannot be guaranteed.

Information provided by third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Presentation of financial information

Certain financial and other information presented in the Prospectus has been rounded to make the information easily accessible to the reader. Consequently, figures shown in certain tables do not exactly correspond to the stated total. Unless otherwise stated herein, no information in the Prospectus has been audited or reviewed by the Company's auditor.

TABLE OF CONTENTS

1	Summary	3
2	Risk factors	10
3	Background and reasons	20
4	Business description.....	21
5	Selected financial information	30
6	Capitalisation, indebtedness and other financial information	34
7	Board of directors, executive management and auditor	37
8	Shares, share capital and ownership structure	43
9	Legal considerations and supplementary information	48
10	Definitions	52
11	Historical financial information.....	F-1
12	Addresses	A-1

IMPORTANT DATES

Last day of trading in the shares on First North	4 December 2024
First day of trading in the shares on Nasdaq Stockholm	5 December 2024

OTHER INFORMATION

ISIN code for the shares	SE0015657788
LEI code	54930019RBIU9DW59H39
Trading symbol on Nasdaq Stockholm	YUBICO
Current listing venue	First North
New listing venue	Nasdaq Stockholm

FINANCIAL CALENDAR

Year-end report for the period 1 January – 31 December 2024	13 February 2025
Annual report for the financial year 2024	15 April 2025
Interim report for the period 1 January – 31 March 2025	13 May 2025
Annual General Meeting 2025	13 May 2025

1 SUMMARY

INTRODUCTION AND WARNINGS

<i>Introduction and warnings</i>	<p>This summary should be read as an introduction to this prospectus (the "Prospectus"). Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. The investor may lose all or part of the invested capital.</p> <p>Where statements in respect of information contained in the Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Under private law, only those individuals who have produced the summary, including translations thereof, may be liable, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in such securities.</p>
<i>The Company applying for admission to trading</i>	<p>Yubico AB, reg. no. 559278-6668, is a Swedish public limited liability company (Sw. <i>publikt aktiebolag</i>). In the Prospectus, the terms "Company", "Yubico" and the "Group" all refer to Yubico AB, the group in which Yubico AB is the parent company or Yubico AB's subsidiaries, depending on the context. In certain historical contexts, the former Yubico AB, reg. no. 556720-8755, which was merged with the Company in September 2023, is also included. The Company's registered office is in Stockholm. The Company's LEI code is 549300I9RBIU9DW59H39. The ISIN code for the Company's shares is SE0015657788. The Company's registered postal address is Gävlegatan 22, SE-113 30 Stockholm, Sweden and the Company's phone number is +46 (0)8 411 30 00. The Company's website is www.yubico.com.</p>
<i>Competent authority</i>	<p>The Swedish Financial Supervisory Authority (Sw. <i>Finansinspektionen</i>) (the "SFSA") is the competent authority and responsible for approving the Swedish version of this prospectus (the "Swedish Prospectus"). The Swedish Prospectus has been approved by the SFSA on 3 December 2024. The SFSA's visiting address is Brunnsgatan 3, SE-111 38, Stockholm, Sweden and its postal address is P.O. Box 7821, SE-103 97 Stockholm, Sweden. The SFSA's phone number is +46 (0)8-408 980 00 and its website is www.fi.se.</p>

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?	
<i>General information about Yubico</i>	<p>Yubico AB, reg. no. 559278-6668, is a Swedish public limited liability company, which was formed in Sweden on 12 October 2020 and registered with the Swedish Companies Registration Office on 26 October 2020. The Company's registered office is in Stockholm. The Company's operations are conducted in accordance with the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i>). The Company's LEI code is 549300I9RBIU9DW59H39. The former Yubico AB, reg. no. 556720-8755, which was merged with the Company in September 2023, was originally founded in 2007.</p>
<i>Yubico's activities</i>	<p>Yubico is a global cybersecurity company with head offices in Stockholm, Sweden and Santa Clara, CA, the United States (the "U.S."). Yubico provides advanced authentication solutions that prevent account takeovers. Yubico's mission is to make the internet safer for everyone by preventing the primary cybersecurity problem; stolen credentials, which cause eight out of ten cybersecurity intrusions, often through phishing attacks. Yubico's core product, the YubiKey, is a multi-factor authentication ("MFA") hardware token ensuring that only permitted users have access to sensitive accounts and systems. The authentication solution encompasses an extensive portfolio of proprietary technologies with production in Sweden and in the U.S. As of the date of the Prospectus, YubiKeys have been sold to customers and users in more than 160 countries worldwide.</p>
<i>Yubico's ownership structure</i>	<p>The table below sets out the ten largest shareholders in Yubico, which also includes all shareholders whose holding, according to the Company's knowledge, directly or indirectly, correspond to five percent or more of the number of shares or votes in Yubico. The information below is based on shareholder data as of 15 November 2024 and includes changes known to the Company thereafter up to the date of the Prospectus. As far as the Company is aware, Yubico is not directly or indirectly controlled by any single shareholder or group of shareholders.</p>

Shareholder	Number of shares and votes	Percentage of shares and votes (%)
Bure Equity	15,041,943 ¹⁾	17.44 ¹⁾
AMF Pension & Fonder	10,471,156	12.14
Stina Ehrensvärd and closely related parties	9,310,904	10.79
Swedbank Robur Fonder	4,455,789	5.17
Fjärde AP-fonden	3,698,020	4.29
Ramanujam Shriram and closely related parties	3,245,487	3.76
Handelsbanken Fonder	2,142,931	2.48
Johan Hernmarck through company	2,128,356	2.47
SEB Investment Management	2,064,420	2.39
Meritech Capital Partners	1,948,827	2.26
Total ten largest shareholders²⁾	54,507,833	63.19
Other shareholders	31,757,885	36.81
Total other³⁾ board members and senior executives	3,446,698	4.00
Total	86,265,718	100.00

Source: Modular Finance.

1) In addition, Bure Equity AB holds 4,200,000 sponsor warrants in Yubico, which can be exercised for subscription of shares in Yubico no earlier than 1 April 2026 and no later than 1 April 2031, in accordance with the terms and conditions of the sponsor warrants.

2) A16z, previously Yubico's fourth largest shareholder, has informed Yubico that it distributed its holding to its limited partners earlier in 2024.

3) The shares held by Stina Ehrensvärd (and closely related parties) and Ramanujam Shriram (and closely related parties) are presented above under "Total ten largest shareholders" and thus not included.

<i>Board of directors and executive management</i>	The Company's board of directors comprises: Patrik Tigerschiöld (chairman), Jaya Baloo, Stina Ehrensvärd, Gösta Johannesson, Paul Madera, Ramanujam Shriram and Eola Ånggård Runsten. The Company's executive management comprises: Mattias Danielsson (Chief Executive Officer), Camilla Öberg (Chief Financial Officer), Jerrod Chong (Chief Operating Officer), Carl Helle (Chief Revenue Officer), Henrik Lejdebom (General Counsel) and Emanuela Todaro (Chief People Officer).
<i>Auditor</i>	The registered accounting firm Öhrlings PricewaterhouseCoopers AB, reg. no. 556029-6740 ("PwC") is Yubico's independent auditor. At the annual general meeting on 14 May 2024, it was resolved to re-elect PwC as Yubico's auditor for the period until the end on the annual general meeting in 2025. The auditor in charge at PwC is Magnus Svensson Henryson (born 1969), authorized public accountant and member of FAR (the industry organization for accounting). PwC's address is Torsgatan 21, SE-113 97 Stockholm, Sweden.

Key financial information regarding the issuer

Key financial information in summary	Selected income statement items for the Group				
	MSEK (unless otherwise stated)	Financial year ended 31 December ¹⁾		Nine-month period ended 30 September ²⁾	
		2023	2022	2024	2023
Net sales	1,827.3	1,551.2	1,703.2	1,271.9	
Operating profit/loss (EBIT)	179.1	203.4	326.5	88.2	
Profit for the period	130.6	244.5	258.6	55.4	
Earnings per share before dilution (SEK)	2.19	4.95	3.00	1.09	
Earnings per share after dilution (SEK)	2.19	4.79	2.92	1.09	

1) Sourced from the Group's consolidated audited financial reports for the financial years ended 31 December 2023 and 2022.

2) Sourced from the Group's unaudited interim financial report for the period 1 January – 30 September 2024, including comparative figures for the corresponding period in 2023.

Selected balance sheet items for the Group				
	As of 31 December¹⁾		As of 30 September²⁾	
MSEK (unless otherwise stated)	2023	2022	2024	2023
Total assets	1,480.7	1,165.4	2,013.4	1,585.1
Total equity	1,122.8	725.8	1,415.8	1,057.4
Total long-term liabilities	47.3	77.5	22.9	57.2
Total current liabilities	310.6	362.1	574.8	470.5
<p>1) Sourced from the Group's consolidated audited financial reports for the financial years ended 31 December 2023 and 2022. 2) Sourced from the Group's unaudited interim financial report for the period 1 January – 30 September 2024, including comparative figures for the corresponding period in 2023.</p>				
Selected cash flow items for the Group				
	Financial year ended 31 December¹⁾		Nine-month period ended 30 September²⁾	
MSEK (unless otherwise stated)	2023	2022	2024	2023
Cash flow from operating activities	114.1	43.3	215.8	115.3
Cash flow from investing activities	3,410.6	-18.7	-19.5	3,414.6
Cash flow from financing activities	-3,259.3	-17.3	-22.5	-3,239.6
<p>1) Sourced from the Group's consolidated audited financial reports for the financial years ended 31 December 2023 and 2022. 2) Sourced from the Group's unaudited interim financial report for the period 1 January – 30 September 2024, including comparative figures for the corresponding period in 2023.</p>				
Key risks specific to the issuer				
<i>Significant risk factors specific to the issuer</i>	<p>As a global cybersecurity company, Yubico relies on the functionality and credibility of its products, primarily its core product "YubiKey"</p> <p>Yubico is a global cybersecurity company providing advanced authentication solutions that prevent account takeovers. Yubico's mission is to make the internet safer for everyone by preventing the primary cybersecurity problem; stolen credentials used to unlawfully access other's accounts and information. Yubico's core product and invention, the "YubiKey", is a MFA hardware token ensuring that only permitted users have access to sensitive accounts and systems.</p> <p>There is a risk that Yubico's products will not provide protection against all security vulnerabilities or cyberattacks, within the field of authentication solutions, especially in light of the rapidly changing cybersecurity landscape. Both internal and external factors, including defects or misconfigurations of Yubico's products or defects in the components supplied by third parties that are used in Yubico's products, may result in Yubico's products to become vulnerable to security incidents that render them unable to protect against cyberattacks. Yubico has historically experienced vulnerabilities in components supplied by third parties, although this has not resulted in any known damage to Yubico customers. If such weaknesses are not discovered and addressed properly, they may undermine the protective features of Yubico's products, which could have negative effects for the credibility of the products, especially since Yubico's operations depend on the reputation of its core product and brand, "YubiKey". Such vulnerabilities could also lead to Yubico's customers demanding replacement or updated products in exchange for products containing defective or insecure components.</p> <p>The YubiKeys are either sold to the customer against direct payment, through a so-called perpetual model, which gives the customer ownership of the hardware, or as part of Yubico's security solution YubiKey as a Service, where the intention is that the keys will be used during the entirety of the subscription period.</p> <p>Any real or perceived shortcomings, defects, or vulnerabilities in Yubico's products could cause significant harm to Yubico and the reputation of the YubiKey brand, which would have a negative effect on Yubico's business and results of operations.</p> <p>The cybersecurity market is rapidly evolving to address the increasingly challenging cyber threat landscape and the future development may not be in favor of Yubico's products</p> <p>Yubico's product and service offering is based on hardware-based security keys providing a multi-factor authentication. As such, Yubico's product portfolio comprises of several hardware product families. The cybersecurity market is characterized by rapid technological change, evolving industry standards, and continuously changing customer requirements and preferences. In the future,</p>			

hardware tokens could be considered less user-friendly and compared to other alternatives, including text message or email codes or app-based authentication methods. Yubico's products may become less effective due to the development of new technologies or inventions, which could have implications for the currently existing data encryption solutions, making these obsolete. There may evolve other methods, technologies, products or services that offer similar or better authentication solutions than the products that Yubico offers. Changes in the nature of advanced cyber threats could also result in a shift in IT budgets away from solutions such as Yubico's hardware-based products towards other forms of solutions.

Yubico's future prospects depend on the Company's ability to retain and recruit key personnel

Yubico's future prospects depend on the Company's ability to continue to identify, attract, train, retain and motivate a sufficient number of highly skilled personnel, in particular hardware and software engineers, key developers, personnel with security experience and sales personnel. The cybersecurity market is continuously evolving, and to be able to adapt its products to changing circumstances, Yubico is dependent on the ability of its employees to continue to develop and improve its products. There is a high degree of competition for such key personnel, and failure to successfully attract or retain sufficiently qualified personnel could harm Yubico's business, growth and profitability, and/or require Yubico to increase its salary costs, costs related to recruitment and education, or otherwise increase the attractiveness of its employee offer. In the U.S. market, forms of employment with very short or no notice period upon termination by the Company or the employee are very common, where the employee is not bound by any non-compete clause after termination of employment, which could negatively affect the operations temporarily or for a longer period. Key personnel's termination of employment may also result in other employees choosing to terminate their employment. If Yubico is unable to retain or attract skilled and experienced personnel, it could affect Yubico's ability to implement its growth strategy and have a negative effect on Yubico's business and results of operations.

Yubico relies on third-party suppliers for critical components and manufacturing and could be negatively impacted by supply chain disruptions or failure in third-party component

Yubico's business is dependent on third-party suppliers, in particular for manufacturing services as well as the supply of key components and, although to a lesser extent, the licensing of third-party software used in certain of Yubico's products.

Certain manufacturers that Yubico has engaged account for a significant part of Yubico's total purchases of manufacturing services and components, and these manufacturers are therefore material to Yubico's production capabilities. There are key components of Yubico's products that are sourced from a few individual suppliers which exposes Yubico to risks related to supplier concentration, for example if those suppliers fail to deliver according to Yubico's requests and from time to time at terms that are acceptable to Yubico, which could adversely affect Yubico's operations. The manufacturing process of Yubico's products involves several steps, where different suppliers are involved, including printed circuit board manufacturing plastic molding, testing, and packaging. Disturbances or interruptions in any of these steps could result in difficulties for or failure by Yubico to deliver sufficient quantities of products to its customers and distributors in accordance with agreed timelines.

Yubico faces competition from other cybersecurity companies

The cybersecurity market is competitive. Yubico's current main competitors include several key archetypes;

- Advanced authentication providers, offering an MFA security solution that involves the use of hardware security keys.
- Broader identity solution providers, offering mobile phone message or mobile phone push-based MFA solutions. These providers have larger and more bundled portfolios of broader cybersecurity and identity security solutions.
- Traditional authentication providers, providing early-generation login security solutions such as physical dongle tokens authentication solutions and Smart Cards.

Conditions in the advanced authentication market could change rapidly and significantly as a result of technological advancements, and there is a risk that the development of new competing

	<p>authentication solutions by existing or new competitors affect Yubico's competitiveness negatively. Organizations that already use security products may also believe that their existing security solutions sufficiently protect access to their sensitive business data and may continue allocating their cybersecurity budgets to such solutions instead of adopting Yubico's advanced authentication solutions. Certain of Yubico's key competitors have competitive advantages such as broader product offerings, greater brand-recognition, and significantly greater financial resources. Although YubiKey is an established brand with a strong track record, customers may prefer to purchase solutions from such larger, more well-known companies, which may negatively affect Yubico's growth and results of operations.</p>
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KEY INFORMATION ON THE SECURITIES

Main characteristics of the securities	
<i>Information on the securities</i>	<p>All shares in Yubico AB, reg. no. 559278-6668, are intended to be admitted to trading on Nasdaq Stockholm. The ISIN code for the shares is SE0015657788. The share capital amounts to SEK 215,664,295. The shares are denominated in SEK and each share has a quota value of SEK 2.50. All issued shares are fully paid.</p>
<i>Total number of shares in the Company</i>	<p>As of the date of the Prospectus, there are a total of 86,265,718 shares in the Company, of which all are ordinary shares.</p>
<i>Rights associated with the securities</i>	<p>The rights associated with the shares issued by the Company, including those arising from the articles of association, may only be amended in accordance with the procedures set out in the Swedish Companies Act.</p> <p>Each share in the Company carries one vote at general meetings. Each shareholder is entitled to vote for all shares held by the shareholder in the Company.</p> <p>If the Company issues new shares, warrants or convertibles by way of a cash or set-off issue, shareholders have a preferential right to subscribe for such securities in proportion to the number of shares they already own.</p> <p>All shares in the Company carry equal rights to dividends and to the Company's assets and any surplus in the event of liquidation. Resolutions on dividend are made by the general meeting. All shareholders who are registered in the share register maintained by Euroclear Sweden AB, on the record date resolved by the general meeting, are entitled to dividend. Dividends are usually paid to shareholders as a cash payment per share via Euroclear Sweden AB but may also be paid by means other than cash (dividend in kind). If a shareholder cannot be reached through Euroclear Sweden AB, the shareholder's claim against the Company for the dividend persists, according to a ten-year prescription period. Upon prescription, the dividend accrues to the Company. There are no restrictions on the right to receive dividends for shareholders resident outside Sweden. Shareholders who do not have their tax residence in Sweden will normally have to pay Swedish withholding tax on dividends from the Company.</p>
<i>Dividend policy</i>	<p>For the foreseeable future, Yubico will primarily use generated cash flow for investing in continued growth, and therefore the Company does not intend to pay out any dividend.</p>
Where will the securities be traded	
<i>Admission to trading</i>	<p>As of the date of the Prospectus, the Company's shares are traded on Nasdaq First North Growth Market ("First North"), a multilateral trading facility and growth market for small and medium-sized companies, in accordance with Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments ("MIFID II"), which is not a regulated market.</p> <p>On 27 November 2024, Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394, ("Nasdaq Stockholm") assessed that the Company meets the listing requirements on the regulated market Nasdaq Stockholm. Nasdaq Stockholm will approve an application for admission to trading of the shares in the Company on Nasdaq Stockholm provided that customary conditions are met. The first day of trading in the Company's shares on Nasdaq Stockholm is expected to be 5 December 2024.</p>

What are the key risks that are specific to the securities?

Significant risks that are specific to the securities

The value of the shares may decrease and the share price may be volatile, and investors may lose all or part of their investments

There is no assurance that the shares in Yubico will be actively traded or that trading can be maintained. Investors may not be in a position to sell their shares quickly or at the market price if there is no active trading in the shares and the price of the shares may be subject to considerable fluctuation. In particular, the price of the shares may be affected by supply and demand for the shares, fluctuations in actual or projected results, failure to meet analysts' earnings expectations, changes in general economic conditions, changes in regulatory conditions and other factors. From time to time, the price of Yubico's shares may be volatile due to factors unrelated to Yubico's operations or prospects. Yubico has historically for example experienced fluctuations in the price of the Company's shares due to expectations related to potential sales of shares by the Company's directors, executive management, and major shareholders in connection with the expiry of previous lock-up agreements. If large quantities of the Company's shares are sold in the market it may cause the market price of Yubico's shares to decrease, posing a significant risk to investors. Yubico's share price may significantly decrease, regardless of Yubico's actual operating performance. As a result, investors may not succeed in reselling their shares at or above the price at which they acquired shares in Yubico, or at all.

Warrants in the Company may lead to dilutive effects for the shareholders

There are 4,200,000 warrants outstanding in the Company that were subscribed for by Bure Equity ("**Bure Equity**") in its previous capacity as a sponsor to ACQ Bure AB ("**ACQ**"). The warrants can be exercised for subscription of shares no earlier than 1 April 2026 and no later than 1 April 2031, subject to the terms and conditions of the warrants, and each warrant entitles Bure Equity to subscription of one (1) share in the Company at a subscription price of SEK 130. However, under the terms and conditions for the warrants the Company has the right to demand that the number of shares each warrants entitles to is recalculated such that the number of shares only represent the net value of the warrants (so-called net strike), whereby subscription of shares shall be made at the share's quota value instead of the full exercise price. Depending on the Company's decision as to whether it opts for net strike or not, the dilution for existing shareholders may, upon exercise of all warrants, amount to a maximum of approximately 4.9 percent, based on the number of shares in the Company. The warrants are subject to recalculation terms, which, inter alia, means that future dividends paid by the Company will lead to recalculation which will have the effect that the number of shares that the warrants entitle to will increase.

To secure delivery of shares pursuant to Yubico's existing long-term incentive programs based on performance stock units ("**PSUs**") for senior executives, key personnel and other employees in the Group, and to cover any costs related to the incentive programs (including taxes and social security cost), Yubico has issued warrants. In Yubico's long-term incentive program for 2023 ("**LTI 2023**"), 762,598 warrants of series 2023/2026 were issued, entitling to subscription of new shares in the Company. Of these, 151,701 warrants have been exercised for the delivery of 151,701 shares to some of the participants for the initial vesting period. The maximum dilution of the remaining warrants due to LTI 2023 is 0.6 percent (0.7 percent including warrants issued to cover any costs) of the current total number of outstanding shares in the Company upon full vesting and full exercise of warrants under LTI 2023.

In Yubico's long-term incentive program for 2024, which is also based on PSUs ("**LTI 2024**"), 762,598 warrants of series 2024/2027 have been issued, entitling to subscription of new shares in the Company. The maximum dilution due to LTI 2024 is 0.8 percent (0.9 percent including warrants issued to cover any costs) of the current total number of outstanding shares in the Company upon full vesting and full exercise of warrants under LTI 2024.

Yubico's ability to pay dividends in the future may be constrained and depends on several factors

If resolved upon by the general meeting, Yubico's shareholders will be entitled to receive future dividends. Yubico's board of directors has adopted a dividend policy pursuant to which Yubico will, for the foreseeable future, primarily use generated cash flows for investing in continued growth. It is possible that Yubico may lack distributable funds in the future or that its shareholders may resolve at a general meeting that no dividend should be paid by the Company. As the amount of future

	<p>dividend payments by Yubico, if any, will depend upon its dividend policy as well as its future earnings, financial condition, cash flows, working capital requirements and other factors, there is a risk that in any given year dividend will not be proposed or distributed.</p> <p>Yubico's future offerings of debt or equity securities may adversely affect the market price of the shares in Yubico and lead to substantial dilution of existing shareholders</p> <p>In the future, Yubico may raise capital through issues of debt securities or additional shares. Shares in Yubico may also be issued in relation to warrants under Yubico's long-term incentive programs. An issue of shares or securities that are convertible into shares could decrease the market price of the shares in Yubico and dilute the economic and voting rights of existing shareholders if such issue is made without preferential rights for existing shareholders. The annual general meeting held on 14 May 2024 resolved to authorize the board of directors to issue new shares in the Company on one or several occasions for the period up to the next annual general meeting, with or without deviation from the shareholders' preferential rights, to the extent that such new issue can be made without amending the articles of association. Based on the authorization, the board of directors may resolve to issue a number of new shares corresponding to a maximum of ten percent of the total number of outstanding shares in the Company at the time of the annual general meeting. The board of directors shall be authorized to resolve on issue where payment is made in cash, by contribution in kind or by way of set-off. As the timing and type of future issues will depend on market conditions at the time, Yubico cannot predict or estimate the amount, timing or type of issues that will be carried out in the Company in the future. Shareholders therefore carry the risk that future share issues will lower the market price of the shares and/or dilute their relative shareholdings.</p>
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KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

<i>Under which conditions and timetable can I invest in this security?</i>	
<i>Admission to trading</i>	The Prospectus does not contain any offer to acquire shares or other securities in the Company. The first day of trading in the Company's shares on Nasdaq Stockholm is expected to be 5 December 2024.
<i>Costs</i>	The costs associated with the admission to trading of the Company's shares on Nasdaq Stockholm are estimated to amount to approximately SEK 10 million. Such costs are primarily attributable to costs for auditors, advisors and listing costs to Nasdaq Stockholm and the SFSA.
<i>Why is this Prospectus being produced?</i>	
<i>Background and reasons</i>	<p>Yubico is a global cybersecurity company whose mission is to make the internet safer for everyone. On 19 April 2023 it was announced that ACQ Bure AB ("ACQ"), a <i>Special Purpose Acquisition Company</i> (SPAC) whose shares were previously traded on Nasdaq Stockholm, had entered into a merger agreement and adopted a joint merger plan regarding a merger between ACQ and Yubico, whereby ACQ was the acquiring company and absorbed Yubico. In connection with the completion of the merger on 20 September 2023, ACQ changed its name to Yubico AB and the Company's shares began trading on First North. Since the completion of the merger and the listing on First North, Yubico has expressed an intention to transfer to Nasdaq Stockholm.</p> <p>Yubico's board of directors and executive management believes that the transfer from First North to Nasdaq Stockholm is a natural step in the Company's continued growth journey as a global cybersecurity company and ambition to continue to create shareholder value by increasing opportunities to retain and attract key employees, customers, and partners, as well as to broaden the investor base and provide opportunities for increased institutional and international ownership. The quality indicator that a listing on Nasdaq Stockholm implies is expected to have a positive effect on the business in its relationship with customers, shareholders, and other stakeholders.</p>
<i>Interests and conflict of interest</i>	The Company considers that there are no material conflicts of interest regarding the Company's admission to trading of the Company's shares on Nasdaq Stockholm.

2 RISK FACTORS

An investment in the shares in Yubico is associated with different risks. Prior to making an investment decision, prospective investors should carefully analyze the risk factors described that are considered material in relation to Yubico and the shares in Yubico. These include risks relating to Yubico's business and industry, legal and regulatory risks, financial risks and risks relating to the shares. The risk factors described below are limited to risks which are specific to Yubico and the shares in Yubico that are assessed to be material for making an informed investment decision. The materiality of the risk factors has been assessed based on the likelihood of their occurrence and the expected scope of their negative effects. The risk factors that are currently considered to be most material are presented first within each category, but otherwise the risk factors are not ranked in any particular order. The description of the risk factors below is based on information available and assessments made as of the date of this Prospectus.

RISKS RELATED TO YUBICO'S BUSINESS AND INDUSTRY

As a global cybersecurity company, Yubico relies on the functionality and credibility of its products, primarily its core product "YubiKey"

Yubico is a global cybersecurity company providing advanced authentication solutions that prevent account takeovers. Yubico's mission is to make the internet safer for everyone by preventing the primary cybersecurity problem; stolen credentials used to unlawfully access other's accounts and information. Yubico's core product and invention, the "YubiKey", is a multi-factor authentication ("MFA") hardware token ensuring that only permitted users have access to sensitive accounts and systems.

There is a risk that Yubico's products will not provide protection against all security vulnerabilities or cyberattacks, within the field of authentication solutions, especially in light of the rapidly changing cybersecurity landscape (see further in "*The cybersecurity market is rapidly evolving to address the increasingly challenging cyber threat landscape, and the future development may not be in favor of Yubico's products*"). Both internal and external factors, including defects or misconfigurations of Yubico's products or defects in the components supplied by third parties that are used in Yubico's products, may result in Yubico's products to become vulnerable to security incidents that render them unable to protect against cyberattacks. Yubico has historically experienced vulnerabilities in components supplied by third parties, although this has not resulted in any known damage to Yubico customers. If such weaknesses are not discovered and addressed properly, they may undermine the protective features of Yubico's products, which could have negative effects for the credibility of the products, especially since Yubico's operations depend on the reputation of its core product and brand, "YubiKey". Such vulnerabilities could also lead to Yubico's customers demanding replacement or updated products in exchange for products containing defective or insecure components (see further in "*Yubico is exposed to the risk of legal actions and liability claims against Yubico by customers or otherwise*"). Yubico's product offering is primarily linked to its core product and brand, "YubiKey", which can result in increased risk exposure since Yubico is particularly dependent of the products credibility and functionality.

The YubiKeys are either sold to the customer against direct payment, through a so-called perpetual model, which gives the customer ownership of the hardware, or as part of Yubico's security solution YubiKey as a Service, where the intention is that the keys will be used during the entirety of the subscription period. As the products are hardware-based, Yubico is unable to provide comprehensive remote updates of the products to its customers. Yubico continuously works to develop and adapt these products to the changing cybersecurity landscape, but even if Yubico successfully develops its products to provide protection against, for example, a new form of cyberattack, there is a risk that Yubico's less updated products that have already been sold in the market will fail to offer the same level of protection as Yubico's newer products.

Any real or perceived shortcomings, defects, or vulnerabilities in Yubico's products could cause significant harm to Yubico and the reputation of the YubiKey brand, which would have a negative effect on Yubico's business and results of operations.

The cybersecurity market is rapidly evolving to address the increasingly challenging cyber threat landscape and the future development may not be in favor of Yubico's products

Yubico's product and service offering is based on hardware-based security keys providing a multi-factor authentication. As such, Yubico's product portfolio comprises of several hardware product families. The cybersecurity market is characterized by rapid technological change, evolving industry standards, and continuously changing customer requirements and preferences. In the future, hardware tokens could be considered less user-friendly and compared to other alternatives, including text message or email codes or app-based authentication methods. Yubico's products may become less effective due to the development of new technologies or inventions, which could have implications for the currently existing data encryption solutions, making these obsolete. There may evolve other methods, technologies, products or services that offer similar or better authentication solutions than the products that Yubico offers. Changes in the nature of advanced cyber threats could also result in a shift in IT budgets away from solutions such as Yubico's hardware-based products towards other forms of solutions.

Advanced performers of cyberattacks are skilled at adapting to new technologies and developing new methods of gaining access to organizations' sensitive business data. Yubico expects cyber threats to continuously evolve and increase in complexity, and

Yubico will need to continually modify and improve its offering to adapt to any such developments in order to retain and grow its customer base.

There is a risk that industry developments, such as the development of competing solutions as well as changes in the nature of cyber threats, result in decreased demand for Yubico's products. If Yubico fails to adapt to such changes, this could have a negative effect on Yubico's results of operations and future prospects.

Yubico's future prospects depend on the Company's ability to retain and recruit key personnel

Yubico's future prospects depend on the Company's ability to continue to identify, attract, train, retain and motivate a sufficient number of highly skilled personnel, in particular hardware and software engineers, key developers, personnel with security experience and sales personnel. The cybersecurity market is continuously evolving, and to be able to adapt its products to changing circumstances, Yubico is dependent on the ability of its employees to continue to develop and improve its products. There is a high degree of competition for such key personnel, and failure to successfully attract or retain sufficiently qualified personnel could harm Yubico's business, growth and profitability, and/or require Yubico to increase its salary costs, costs related to recruitment and education, or otherwise increase the attractiveness of its employee offer. In the U.S. market, forms of employment with very short or no notice period upon termination by the Company or the employee are very common, where the employee is not bound by any non-compete clause after termination of employment, which could negatively affect the operations temporarily or for a longer period. Key personnel's termination of employment may also result in other employees choosing to terminate their employment. In addition, considerable time and expense is often required for Yubico in its selling activities to its major customers (see further in "*Yubico's sales cycle can be long and unpredictable, and its sales efforts require considerable time and expense*"). Yubico's ability to successfully compete for potential customers is dependent on Yubico's sales personnel being sufficiently trained and informed about Yubico's solutions. Yubico may be unable to find qualified personnel or to provide sufficient training for its existing employees. If Yubico is unable to retain or attract skilled and experienced personnel, it could affect Yubico's ability to implement its growth strategy and have a negative effect on Yubico's business and results of operations.

Yubico relies on third-party suppliers for critical components and manufacturing and could be negatively impacted by supply chain disruptions or failure in third-party component

Yubico's business is dependent on third-party suppliers, in particular for manufacturing services as well as the supply of key components and, although to a lesser extent, the licensing of third-party software used in certain of Yubico's products.

Certain manufacturers that Yubico has engaged account for a significant part of Yubico's total purchases of manufacturing services and components, and these manufacturers are therefore material to Yubico's production capabilities. There are key components of Yubico's products that are sourced from a few individual suppliers which exposes Yubico to risks related to supplier concentration, for example if those suppliers fail to deliver according to Yubico's requests and from time to time at terms that are acceptable to Yubico, which could adversely affect Yubico's operations. The manufacturing process of Yubico's products involves several steps, where different suppliers are involved, including printed circuit board manufacturing plastic molding, testing, and packaging. Disturbances or interruptions in any of these steps could result in difficulties for or failure by Yubico to deliver sufficient quantities of products to its customers and distributors in accordance with agreed timelines. Further, Yubico licenses third-party software for use in its products that include biometric authentication. Biometric products accounted for less than 1 percent of Yubico's net sales in the nine-month period ended 30 September 2024.

From time to time, Yubico competes with procurement teams from other industries for the same key components. For instance, in previous years, there have been shortages of semiconductor which have adversely affected the availability of such components for other industries, including Yubico's. Any supply interruptions may have a negative effect on Yubico's customer relationships and results of operations, both temporarily and potentially in the longer term.

Further, Yubico's future growth and potential geographical expansion may impose increased demands on Yubico's suppliers to meet increased volumes, and there is a risk that Yubico's existing suppliers will be unable to continue provide its services on terms beneficial to Yubico, and/or that Yubico is unable to find alternative suppliers that can provide similar terms as Yubico's existing suppliers, which could have a negative effect on Yubico's result of operations and financial condition.

Yubico faces competition from other cybersecurity companies

The cybersecurity market is competitive. Yubico's current main competitors include several key archetypes;

- Advanced authentication providers, offering an MFA security solution that involves the use of hardware security keys.
- Broader identity solution providers, offering mobile phone message or mobile phone push-based MFA solutions. These providers have larger and more bundled portfolios of broader cybersecurity and identity security solutions.
- Traditional authentication providers, providing early-generation login security solutions such as physical dongle tokens authentication solutions and Smart Cards.

Conditions in the advanced authentication market could change rapidly and significantly as a result of technological advancements, and there is a risk that the development of new competing authentication solutions by existing or new competitors affect Yubico's competitiveness negatively (see further in "*-As a global cybersecurity company, Yubico relies on the functionality and credibility of its products*"). Organizations that already use security products may also believe that their existing security solutions sufficiently protect access to their sensitive business data and may continue allocating their cybersecurity budgets to such solutions instead of adopting Yubico's advanced authentication solutions. Certain of Yubico's key competitors have competitive advantages such as broader product offerings, greater brand-recognition, and significantly greater financial resources. Although YubiKey is an established brand with a strong track record, customers may prefer to purchase solutions from such larger, more well-known companies, which may negatively affect Yubico's growth and results of operations.

Yubico is exposed to general economic and market conditions, in particular in relation to the technology sector

Yubico's products are sold on several geographical markets. Americas¹ is Yubico's largest market and accounted for 61.8 percent of Yubico's net sales for the nine-month period ended 30 September 2024. EMEA² is also a large market for Yubico, accounting for 24.4 percent of Yubico's net sales for the nine-month period ended 30 September 2024.

Downturns in general economic conditions on the markets where Yubico operates, for example due to geopolitical instability, weaker consumer confidence or other macroeconomic factors, may affect the demand for Yubico's products. Historically, Yubico's customers have primarily been global technology companies. Although Yubico has grown and diversified its customer base to other industry verticals in the past few years, a significant share of Yubico's largest customers are still technology companies. Approximately one quarter of Yubico's bookings during the financial year 2023 were attributable to customers in the technology sector (including several of the major technology companies in the world). It is likely that a slowdown in the tech industry with layoffs, decreased budgets to spend on IT-security and general constraints on investments, such as has been the case in the recent years and, to some extent, continues to be case in the U.S., will also impact Yubico. These conditions could have a negative effect on Yubico's results of operations and financial condition.

Yubico's transition toward a subscription-based sales offering could affect its net sales and profitability in the short- and medium term and may not be as successful as expected

Yubico's products are sold both directly to end-customers and via distributors and resellers, either against a one-time payment on a perpetual basis, also known as the perpetual model, or as part of Yubico's security solution YubiKey as a Service, launched in 2020, where the hardware is provided as a service with Yubico retaining ownership of the hardware. Historically, the greater part of Yubico's net sales has derived from sales through the perpetual model, and perpetual sales accounted for 82.0 percent of Yubico's bookings and 89.0 percent of Yubico's net sales for the nine-month period ended 30 September 2024 while subscription bookings amounted to 18.0 percent and subscription sales amounted to 11.0 percent during the same period. During 2023, Yubico updated its sales strategy to increasingly focus on sales through YubiKey as a Service, in particular with regards to sales to larger enterprises. While Yubico's customers are increasingly using YubiKey as a Service, there is a risk that this offering will not be fully embraced by Yubico's customers and that the transition toward a subscription-based sales model will be challenging.

Subscription sales are recognized evenly over the contract period, which is typically between three to five years, while costs are recognized as they are incurred. This typically means that approximately 70 percent of the costs are recognized in the first year and 15 percent of the costs per year in the following two years. Under the perpetual model, Yubico receives a direct cash payment and the ownership of the product is transferred to the customer, meaning that 100 percent of the revenue and cost is recognized when the product is delivered. Therefore, Yubico's net sales and profitability are expected to be negatively impacted in the short and medium term by the transition to YubiKey as a Service. There is also a risk that customers who purchase YubiKey as a Service will not retain or renew their subscriptions or purchase additional subscriptions.

¹ Includes the geographies North and South America

² Includes the geographies Europe, Middle East and Africa.

Yubico's ability to develop existing products and introduce new products and features is dependent on adequate R&D resources

A significant aspect of Yubico's maintenance of its growth strategy, and a fundamental requirement for its ability to stay competitive, provide a competitive offering, expand its customer base and being able to expand into new markets, is that Yubico continues to develop its products in order to adapt to market developments and new or changed cyberthreats, and preferences from new customers. Yubico is therefore dependent on having sufficient resources and personnel for research and development ("R&D") (see further in "*Yubico's future prospects depend on the Company's ability to retain and recruit key personnel*"). Yubico conducts R&D both at the head offices in Sweden and in Santa Clara, California and by employees working remotely, including the development of hardware, software and new services. Yubico continuously invests in various R&D projects, including the development of new equipment to automate and streamline the production of YubiKeys. There is a risk that Yubico fails to attract the specialized expertise required to conduct its work with R&D, and that Yubico's R&D does not lead to the desired results or fails to adapt Yubico's products to demand or changing cyber threats. There is also a risk that competitors develop better solutions or technology, for example at a lower cost, better protection or at a higher quality, which could lead to reduced demand for Yubico's products. There is also a risk that costs attributable to R&D prove unnecessary if the products are not successful or if competitors succeed in developing better or more affordable authentication solutions. If Yubico is unable to develop its products or its production process in a competitive and effective manner due to a lack of financial resources, unsuccessful product development or sufficient employees, this could have a negative impact on Yubico's future prospects, financial condition, and results of operations.

If Yubico fails to adapt or develop its products to ensure that they interoperate with a variety of operating systems and software applications developed by other parties, Yubico's offering may become less competitive

Yubico's products communicate with third party applications to provide secure access to computers, devices, networks, and online services. Yubico is therefore dependent on the interoperability of its products with third-party services, including operating systems, software, and technology, which is outside of Yubico's control. There is a risk that changes in such technology, or errors in the implementation of protocols used to allow communication between third party offerings and Yubico's products, degrade the functionality of Yubico's products. Yubico may not be successful in developing or maintaining relationships with key stakeholders developing the most widely adopted operating systems for computers, portable devices, and software applications. Yubico relies on open standards for many integrations between its solutions and third-party applications that Yubico's customers utilize. If such application providers were to move away from open standards, or if a widely utilized application provider were to adopt proprietary integration standards and not make them available for the purpose of facilitating interoperability with Yubico's products, the utility of Yubico's products would be decreased. Any decrease in the interoperability of Yubico's products with leading operating systems and software applications may lead to decreased demand for Yubico's products, which could have a negative effect on Yubico's results of operations.

Yubico's sales cycle can be long and unpredictable, and its sales efforts require considerable time and expense

Since Yubico's net sales are predominately deriving from sales to enterprises, the timing of Yubico's sales and related revenue recognition is unpredictable. Yubico is often required to spend significant time and resources to better educate and familiarize potential customers with the value proposition of Yubico's solutions. Customers often view the purchase of IT security solutions as a strategic decision and therefore carefully evaluate Yubico's solutions before completing a purchase. During the sales cycle, Yubico expends significant time and money on sales and marketing and contract negotiation activities, which may not result in a sale. Additional factors that may influence the length and variability of Yubico's sales cycle is budget cycles and decisions, lengthy purchasing approval processes, the industries in which Yubico's customers operate, the evaluation of competing solutions during the purchase process and evolving functionality demands. If Yubico's efforts in pursuing sales and customers are unsuccessful, or if its sales cycles lengthen, this could have a negative effect on Yubico's results of operations.

Risks related to customer concentration and Yubico's reliance on existing customer relationships with large technology enterprises in the U.S.

Yubico's largest customers segment is high tech customers, who accounted for 23 percent of Yubico's bookings for the financial year ended 31 December 2023, and some of these customers are large technology enterprises based in the United States (the "U.S."). In the financial year ended 31 December 2023, the geographical market Americas accounted for 65.8 percent (74.5 percent 2022) of Yubico's net sales. Yubico has maintained and developed its relationships with these customers for several years, and it is important for Yubico to continue to maintain and expand these relationships. Various factors may affect Yubico's relationship with these customers, such as changes in the cybersecurity market or cyberthreats that cause such customers to select other cybersecurity solutions instead of Yubico's, or real or perceived shortcomings in Yubico's products. If Yubico fails to provide sufficient support to its customers and ensure that Yubico's products remain competitive long term, there is a risk that Yubico's larger customers will decrease or cease to purchase Yubico's products, which would have a negative effect on Yubico's results of operations. Further, individual orders from large customers may have significant impact on net sales and earnings in specific interim periods, which may make it more difficult to compare different interim periods with each other, and entails unpredictability in Yubico's sales cycle. This may result in increased volatility in Yubico's share price.

Risks associated with product certification standards such as FIPS and FIDO

To ensure local regulatory compliance, Yubico has an active presence in regulatory forums such as FIDO Alliance and holds local and regional certifications such as Federal Information Processing Standard (FIPS) 140-2 and FIDO level 2. Certain customers, particularly in the public sector and defense sector in the U.S., require that the cybersecurity products they purchase hold relevant certifications, and would in all likelihood not maintain their purchases from Yubico if Yubico were to lose such certifications. The validation processes for product certification standards such as FIPS includes the ability to revalidate the product upon incremental changes, a process which is more expedient than the original validation process, while major changes to products typically require a new validation process in order to maintain the certification. Should Yubico replace or update any of the components or firmware used in its products with new, externally produced components, there is a risk that the updated product would have to be subject to a new certification process. A process to obtain a new certification could be time-consuming. Whilst Yubico would still be able to offer its products that are already certified to customers during such certification process in respect of an updated product, the previous product may be less effective and there is a risk that such previous certifications expire prior to receipt of the certification of the new product. If Yubico is unable to continuously maintain all relevant product certifications, Yubico may lose customers, in particular customers within the public sector and defense sector with specific compliance requirements, temporarily or permanently, which may have a negative impact on Yubico's results of operations.

Changes in governmental regulations and standards for authentication solutions could require Yubico to make potentially costly modifications to its products and services in order to remain compliant and maintain or obtain existing or new certifications, which could have a negative impact on Yubico's results of operations.

Yubico may fail to achieve its financial targets

Yubico's board of directors has adopted the following financial targets: i) annual growth in net sales of 25 percent on average, and ii) 20 percent EBIT margin. There is a risk that Yubico may fail to implement strategic actions successfully, and Yubico may fail to achieve its targets for, or expectations of, its financial targets or may not be able to realize all or part of the benefits expected from its current strategy or other future actions. Yubico's actions to achieve its targets may change and be adjusted from time to time. The actions and decisions taken and made to implement the strategy and achieve the financial targets in the future may therefore differ from the expected ones used and presented in the Prospectus. If Yubico is unable to achieve its targets, this may have a negative impact on investors' perception of the Company, which may make it more difficult for the Company to raise capital in the future if necessary and otherwise reduce confidence in the Company.

Risks associated with Yubico's international operations

Yubico authentication solutions are sold to customers and users in more than 160 countries worldwide. Yubico's international operations and the use of Yubico's products and services in various countries subject Yubico to risks that may be greater than those faced if it had been operating in either a single market or a few homogeneous markets (such as within the European Union (the "EU")). Whilst, currently, Yubico's products are generally considered as mass-market products and, as such, not subject to country-specific statutory certification requirements, Yubico faces several risks due to its international presence which include, but are not limited to:

- differing tax rules, statutory filing and mandatory corporate law requirements;
- potentially adverse tax consequences, including the complexities of foreign value added tax, or other tax, systems and restrictions on the repatriation of earnings (see further in "*-Yubico is subject to the risk of its tax rate increasing, audits, tax disputes and changes in existing regulations or adoptions of new regulations*");
- data protection and privacy laws which subject Yubico to stringent obligations and may, for example, require customer data to be stored and processed in a designated territory;
- certain measures and activities that may be legal or unregulated in one country may be illegal or regulated in another country, or subject to different and potentially conflicting legal or regulatory requirements in different jurisdictions; and
- reduced or uncertain protection for intellectual property rights in some countries.

These factors may cause Yubico's international costs of doing business to exceed its comparable domestic costs. They may also require significant management attention and financial resources, either of which could have a negative effect on Yubico's business and results of operations.

LEGAL AND REGULATORY RISKS

Yubico may be unable to adequately protect or enforce its intellectual property rights, and third parties have alleged and may in the future allege that Yubico infringes their intellectual property rights.

The protection of Yubico's intellectual property, including its trademarks, copyrights, patents, domain names, trade secrets and know-how, is important to Yubico's business. Yubico seeks to protect its intellectual property rights by registering and maintaining

trademarks and patents (in particular the trademarks YUBICO and YUBIKEY) as well as keeping trade secrets and know-how confidential. Yubico obtains services from an external advisor for assistance with the maintenance of its trademark portfolio. Yubico also relies on contractual measures to protect relevant intellectual property rights when offering or procuring products and services, including confidentiality undertakings, and in relation to software and technology developments, clauses ensuring that Yubico obtains ownership of the results created by employees and consultants.

In addition to its key trademarks, YUBICO and YUBIKEY, Yubico possesses intellectual property rights in the form of patents, even though these patents are not considered to be among the most important intellectual property assets for Yubico's business. Yubico's existing and future intellectual property rights may not provide Yubico with competitive advantages or distinguish its products and services from those of its competitors. Yubico's intellectual property rights may be questioned, circumvented or found unenforceable or invalid, and it may not be able to prevent third parties from infringing, diluting or otherwise violating them and Yubico may be required to spend significant time and expense in order to prevent infringement or to enforce its rights.

Third parties have historically asserted and may in the future assert that Yubico's products, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property. As the number of products and offerings from Yubico increase, and additional competitors to Yubico develop new technology, the risks of such claims increase. In addition, in connection with Yubico increased visibility and market exposure, for instance in connection with the transfer to Nasdaq Stockholm, Yubico faces an increased risk of being subject to intellectual property infringement claims and demands.

Specifically, Yubico has, similar to other companies in the industry, from time to time been contacted by third parties claiming that Yubico's products incorporate features and functionality covered by such third parties' patented technology. Yubico has been offered to license such patented technology, but Yubico has so far not engaged in any discussions or entered into any licensing agreements. Thus, there is a risk that such third parties may at some point initiate legal proceedings against Yubico for patent infringement.

Regardless of their merit, claims that result in litigation could result in substantial costs by diverting the attention of management, causing significant delays in introducing new or enhanced services or technology, materially disrupting the conduct of Yubico's operations and damaging its reputation and brand. As a consequence of any successful patent or other intellectual property claims, Yubico could be required to pay substantial damages and compensation for its prior use of the third party patented technology, seek licenses for alternative technologies from third parties or obtain a license from the third party claiming infringement, develop non-infringing technology or, in a worst case scenario, be required to stop selling or marketing the infringing products. Yubico may also be obligated to indemnify its customers or refund payments from customers. Any of the above risks could have a negative effect on Yubico's business, results of operations and financial condition.

Yubico uses open-source software in its service offerings, which is provided with limited or no warranties and could impose an obligation to share proprietary source code if certain open source software is used

Yubico uses open-source software in its software solutions and may use more open-source software in the future. From time to time, there have been claims challenging the ownership of open-source software against companies that incorporate open-source software into their service offerings. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on Yubico's ability to commercialize its service offerings. In addition, if Yubico was to combine its proprietary software with open-source software in a certain manner, it could, under certain of the open-source licenses, be required to disclose the source code of its proprietary software to the public, free of charge. This would allow Yubico's competitors to create similar services with less development effort and time. Yubico has implemented internal business controls and systems to control and surveillance its use of open-source software so that only appropriate open-source software is used by Yubico, to prevent the above-mentioned risks. However, if Yubico uses open-source software in an inappropriate way, e.g. by incorrectly using or by a wrongful assessment permitting use of certain open source software, Yubico may be required to pay damages for copyright infringement, be required to release the source code to proprietary software to the public free of charge, discontinue the use of certain open source software due to a breach of the licensing terms or discontinue the offering of some or all of its service offerings or replace open source software or take other remedial actions.

In addition to risks related to license requirements, usage of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on origin of the software. Any of the above risks could have a negative effect on Yubico's business and financial condition.

A portion of Yubico's revenues is generated by indirect sales to U.S. federal agencies, which are subject to a number of challenges and risks

A portion of Yubico's revenues is generated by sales, through Yubico's distributor network, to U.S. federal agencies, and the Company may in the future increase sales to U.S. federal agencies. Americas amounted to 68.1 percent of Yubico's net sales for the nine-month period ended 30 September 2024, whereof Yubico's sales to U.S federal agencies represented a limited but not insignificant part. Sales to U.S. federal agencies are subject to a number of risks. Selling to federal agencies can be highly competitive, expensive and time consuming, often requiring significant administration, upfront time and expense without any assurance that Yubico will complete a sale. Government demand and payment for Yubico's products and services may be

impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for Yubico's products. For purchases by the U.S. government, the government may require certain products to be manufactured in the U.S. and other high-cost manufacturing locations, and Yubico may not manufacture all products in locations that meet the requirements of the U.S. government.

Yubico is subject to the risk of its tax rate increasing, audits, tax disputes and changes in existing regulations or adoptions of new regulations

Yubico is subject to taxation in Sweden and several other jurisdictions, including federal, state and local tax jurisdictions (see further in "*Risks associated with Yubico's international operations*"). During the financial years ended 31 December 2023 and 2022 respectively, Yubico's tax on profit for the year income tax for the year (as included in the income statement for the period) was SEK -55.4 million and SEK 35.1 million, respectively. There is a risk that Yubico's understanding and interpretation of tax laws, tax treaties and other provisions, including with respect to income, sales and use, value added, deferred tax assets or liabilities and other taxes, are not correct in all respects. Yubico's tax expenses, deferred tax assets or liabilities and effective tax rate could also be adversely affected by changes in applicable tax laws and regulations, or their interpretation and application, including the possibility of retroactive effect. Tax authorities in the relevant jurisdictions could make assessments and decisions that differ from Yubico's understanding and interpretation of the aforementioned laws, tax treaties and other provisions, which may require Yubico to pay substantial additional tax, including penalties and interest, and could have a negative effect on Yubico's results of operations and financial condition. Also, ownership changes or other potential restrictions on carrying forward operating losses for tax purposes, could present a risk for Yubico's ability to utilize such losses or other tax attributes (as applicable). In recent years, tax authorities have also increased the focus on transfer pricing, which is also an area of high complexity. For Yubico, aspects related to transfer pricing are of high relevance given that the Group operates in several different countries, where a large number of transactions of varying kind are carried out, and costs are allocated, between the companies in the Group. Transfer pricing related disputes often concern significant amounts and may sometimes take several years to conclude. Negative outcomes in transfer pricing related reviews and disputes may have a negative effect on Yubico's tax position. Yubico may also become involved in other tax disputes, tax audits and litigations of varying significance and scope. Such processes can lead to lengthy proceedings over several years and may require Yubico to pay substantial additional tax, which could have a negative effect on Yubico's financial condition and results of the operation.

Yubico is exposed to the risk of legal actions and liability claims against Yubico by customers or otherwise

In the ordinary course of business, Yubico may be involved in various litigation matters, including but not limited to commercial disputes and employee claims, and may from time to time be involved in governmental or regulatory investigations or similar matters arising out of Yubico's current or future business. Any claims asserted against Yubico, regardless of merit or eventual outcome, could harm Yubico's reputation and have an adverse impact on its relationship with customers and other third parties and could lead to additional related claims. Certain claims may seek injunctive relief, which could disrupt the ordinary conduct of Yubico's business and operations or increase Yubico's cost of doing business. Yubico's insurance or indemnities may not cover all claims that may be asserted against it. Should the ultimate judgments or settlements in any future litigation or investigation significantly exceed Yubico's insurance coverage, they could have a negative effect on Yubico's results of operations and financial condition.

Yubico's customers use Yubico's authentication solutions for purposes that are critical to their businesses, and as such, any errors, defects, security vulnerabilities and incidents could result in losses to Yubico's customers. Although Yubico seeks to limit the risk of claims against Yubico through specific contractual terms, depending on the customer relationship Yubico may have to accept more or less extensive provisions relating to fault or product liability, and customers may either opt to seek compensation for losses they suffer or cease conducting business with Yubico altogether. Provisions that Yubico try to include in Yubico's agreements with customers, that attempt to limit Yubico's exposure to claims, may not be enforceable or adequate or may otherwise not protect Yubico from liability or damages with respect to any particular claim. Even if ultimately unsuccessful, a claim brought against Yubico by any of its customers, such a claim could be time consuming, costly to defend and seriously damaging to Yubico's reputation and brand. This could make it harder for Yubico to sell its products and services and the loss of business or impact on brand reputation could have a negative effect on Yubico's business, financial condition, and results of operations.

Risks related to Yubico's ESG responsibilities

In recent years, governments, investors, customers, suppliers and other stakeholders have placed increasing demands related to environmental, social and governance ("ESG") issues. Yubico has evaluated and defined its approach to ESG in order to create long-term social, environmental and economic value in its business and to set appropriate ESG related targets. However, investors may have expectations that Yubico will implement new or different standards or targets related to ESG. These external expectations on Yubico may be driven or reinforced by new disruptive business models, such as new technologies, new work processes and changing pricing models, in the markets where Yubico operates. It may also be driven by new legislation and regulatory requirements, including such legislation coming from the EU in the form of directives and regulations, which may be applicable to Yubico to varying degrees. As a result, Yubico may be required to implement new reporting standards or introduce more stringent ESG targets or processes, among other things, in order for investors to want to invest or increase their investments,

in Yubico. If Yubico fails to effectively manage requirements in relation to regulatory changes, ESG responsibilities or does not achieve relevant sustainability targets, confidence in Yubico, its business and products may deteriorate. Compliance with ESG related requirements may also place increased demands on Yubico's organization, which may entail additional costs that may have a negative impact on Yubico's financial position and results of operations.

FINANCIAL RISKS

Yubico is exposed to the risk of exchange rate fluctuations

Yubico is exposed to the risk of exchange rate fluctuations. Exchange rate fluctuations may have an adverse impact on the Group's income statement, statement of financial position and/or cash flows. These fluctuations are a result of reporting Yubico's financial statements in Swedish kronor, which is different from the functional currency of some of Yubico's subsidiaries, its assets and liabilities being stated in different currencies and certain revenue and costs arising in different currencies. The recognized operating costs are mainly incurred in U.S. dollars, whereas certain costs, including salaries to employees in Sweden, are incurred in Swedish kronor. The sales are predominately denominated mainly in U.S. dollars, although to some extent also in EUR. The results of, and the financial positions of, Yubico's subsidiaries are reported in the relevant local currencies and then translated into Swedish kronor at the applicable exchange rates for inclusion in Yubico's consolidated financial statements. Consequently, Yubico's results of operations and financial position are impacted by the value of the Swedish krona relative to other currencies. The value of the Swedish krona relative to other currencies has varied significantly in the past and any significant fluctuations in the value of the Swedish krona relative to other currencies could have a negative effect on Yubico's business, results of operations and financial condition.

Yubico is subject to credit risks

Credit risk means the risk of a counterparty in a financial transaction not fulfilling its obligations on the relevant day of maturity or at all. As of 30 September 2024, Yubico had SEK 727.6 million placed in a few different banks in Yubico's primary markets (Sweden and the U.S.), which exposes Yubico to a financial credit risk in relation to the banking system and banks. In addition, Yubico is exposed to a commercial credit risk in relation to its customers and suppliers, primarily related to claims towards customers. As of 30 September 2024, Yubico had claims towards customers amounting to SEK 407.8 million and as of the same date Yubico's provisions for expected credit losses amounted to SEK 7.8 million. If the financial conditions of any of Yubico's counterparties are worsened and it results in the counterparty not being able to fulfil its obligations towards Yubico in time or at all, it may have a negative impact on Yubico's financial position.

Yubico may have additional financing needs in the future and there is a risk that such financing will not be available

Yubico's operations have historically been financed primarily through its equity and/or operating cash flow. Yubico has previously obtained external debt financing through a credit facility agreement with AB Svensk Exportkredit, which as of 30 September 2024 had an outstanding amount of SEK 29.3 million and was repaid in full on 28 November 2024, whereafter Yubico does not have any external interest-bearing debt financing. The need for external debt financing may appear for Yubico for several reasons, including R&D initiatives, mergers and acquisitions, geographic expansion, or because its operations were to be loss-making. There is a risk that such financing will not be available for Yubico in the future on favorable terms or at all, which entails a risk that Yubico cannot implement its business plan in full or at all, or finance its ongoing operations, especially if they were to be loss-making. If Yubico is not successful in maintaining profitability to finance its operations or raise financing on favorable terms or at all, it could negatively affect Yubico's results of operations and financial condition.

RISKS RELATED TO THE SHARES

The value of the shares may decrease and the share price may be volatile, and investors may lose all or part of their investments

There is no assurance that the shares in Yubico will be actively traded or that trading can be maintained. Investors may not be in a position to sell their shares quickly or at the market price if there is no active trading in the shares and the price of the shares may be subject to considerable fluctuation. In particular, the price of the shares may be affected by supply and demand for the shares, fluctuations in actual or projected results, failure to meet analysts' earnings expectations, changes in general economic conditions, changes in regulatory conditions and other factors. From time to time, the price of Yubico's shares may be volatile due to factors unrelated to Yubico's operations or prospects. Yubico has historically for example experienced fluctuations in the price of the Company's shares due to expectations related to potential sales of shares by the Company's directors, executive management, and major shareholders in connection with the expiry of previous lock-up agreements. If large quantities of the Company's shares are sold in the market it may cause the market price of Yubico's shares to decrease, posing a significant risk

to investors. Yubico's share price may significantly decrease, regardless of Yubico's actual operating performance. As a result, investors may not succeed in reselling their shares at or above the price at which they acquired shares in Yubico, or at all.

Warrants in the Company may lead to dilutive effects for the shareholders

There are 4,200,000 warrants outstanding in the Company that were subscribed for by Bure Equity ("**Bure Equity**") in its previous capacity as a sponsor to ACQ Bure AB ("**ACQ**"). The warrants can be exercised for subscription of shares no earlier than 1 April 2026 and no later than 1 April 2031, subject to the terms and conditions of the warrants, and each warrant entitles Bure Equity to subscription of one (1) share in the Company at a subscription price of SEK 130. However, under the terms and conditions for the warrants the Company has the right to demand that the number of shares each warrants entitles to is recalculated such that the number of shares only represent the net value of the warrants (so-called net strike), whereby subscription of shares shall be made at the share's quota value instead of the full exercise price. Depending on the Company's decision as to whether it opts for net strike or not, the dilution for existing shareholders may, upon exercise of all warrants, amount to a maximum of approximately 4.9 percent, based on the number of shares in the Company. The warrants are subject to recalculation terms, which, inter alia, means that future dividends paid by the Company will lead to recalculation which will have the effect that the number of shares that the warrants entitle to will increase.

To secure delivery of shares pursuant to Yubico's existing long-term incentive programs based on performance stock units ("**PSUs**") for senior executives, key personnel and other employees in the Group, and to cover any costs related to the incentive programs (including taxes and social security cost), Yubico has issued warrants. In Yubico's long-term incentive program for 2023 ("**LTI 2023**"), 762,598 warrants of series 2023/2026 were issued, entitling to subscription of new shares in the Company. Of these, 151,701 warrants have been exercised for the delivery of 151,701 shares to some of the participants for the initial vesting period. The maximum dilution of the remaining warrants due to LTI 2023 is 0.6 percent (0.7 percent including warrants issued to cover any costs) of the current total number of outstanding shares in the Company upon full vesting and full exercise of warrants under LTI 2023.

In Yubico's long-term incentive program for 2024, which is also based on PSUs ("**LTI 2024**"), 762,598 warrants of series 2024/2027 have been issued, entitling to subscription of new shares in the Company. The maximum dilution due to LTI 2024 is 0.8 percent (0.9 percent including warrants issued to cover any costs) of the current total number of outstanding shares in the Company upon full vesting and full exercise of warrants under LTI 2024.

Yubico's ability to pay dividends in the future may be constrained and depends on several factors

If resolved upon by the general meeting, Yubico's shareholders will be entitled to receive future dividends. Yubico's board of directors has adopted a dividend policy pursuant to which Yubico will, for the foreseeable future, primarily use generated cash flows for investing in continued growth. It is possible that Yubico may lack distributable funds in the future or that its shareholders may resolve at a general meeting that no dividend should be paid by the Company. As the amount of future dividend payments by Yubico, if any, will depend upon its dividend policy as well as its future earnings, financial condition, cash flows, working capital requirements and other factors, there is a risk that in any given year dividend will not be proposed or distributed.

Yubico's future offerings of debt or equity securities may adversely affect the market price of the shares in Yubico and lead to substantial dilution of existing shareholders

In the future, Yubico may raise capital through issues of debt securities or additional shares. Shares in Yubico may also be issued in relation to warrants under Yubico's long-term incentive programs (see further under "*Warrants in the Company may lead to dilutive effects for the shareholders*"). An issue of shares or securities that are convertible into shares could decrease the market price of the shares in Yubico and dilute the economic and voting rights of existing shareholders if such issue is made without preferential rights for existing shareholders. The annual general meeting held on 14 May 2024 resolved to authorize the board of directors to issue new shares in the Company on one or several occasions for the period up to the next annual general meeting, with or without deviation from the shareholders' preferential rights, to the extent that such new issue can be made without amending the articles of association. Based on the authorization, the board of directors may resolve to issue a number of new shares corresponding to a maximum of ten percent of the total number of outstanding shares in the Company at the time of the annual general meeting. The board of directors shall be authorized to resolve on issue where payment is made in cash, by contribution in kind or by way of set-off. As the timing and type of future issues will depend on market conditions at the time, Yubico cannot predict or estimate the amount, timing or type of issues that will be carried out in the Company in the future. Shareholders therefore carry the risk that future share issues will lower the market price of the shares and/or dilute their relative shareholdings.

Investors with a reference currency other than Swedish kronor will become subject to certain foreign exchange risks when investing in shares in Yubico

Investors with a reference currency other than Swedish kronor will become subject to certain foreign exchange risks when investing in shares in Yubico. Yubico's equity capital is denominated in Swedish kronor and all dividends on the shares in Yubico will be paid by the Company in Swedish kronor. Investors whose reference currency is a currency other than Swedish kronor may

be adversely affected by any reduction in the value of the Swedish kronor relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting Swedish kronor into another currency. Investors whose reference currency is a currency other than Swedish kronor are therefore urged to consult their financial advisors.

U.S. and other non-Swedish holders of shares may not be able to exercise pre-emptive rights to participate in rights offers

Under Swedish law, holders of shares will have certain pre-emptive rights in respect of certain issues of shares, unless those rights are disapplied by a resolution of the shareholders at a general meeting or the shares are issued on the basis of an authorization to the board of directors under which the board may disapply the pre-emption rights. Securities laws of certain jurisdictions may restrict Yubico's ability to allow participation by shareholders in such jurisdictions in any future issue of shares carried out on a pre-emptive basis in a rights offer. For example, shareholders in the U.S. may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act from 1933, is effective in respect of such subscription rights and shares or unless an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Sweden may similarly be affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Yubico is under no obligation to, and no assurances are given that it will, file a registration statement under the U.S. Securities Act or seek similar approvals or relevant exemptions for the sale of securities under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and shares, and doing so in the future may be impractical and costly. To the extent that Yubico's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, shareholders who hold residency in non-Swedish jurisdictions may experience a dilution of their holding of Yubico's shares. It is possible that such dilution is not offset by any compensation received in exchange for subscription rights.

3 BACKGROUND AND REASONS

Yubico is a global cybersecurity company whose mission is to make the internet safer for everyone. On 19 April 2023, it was announced that ACQ Bure, a so-called *Special Purpose Acquisition Company* (SPAC) whose shares were previously traded on Nasdaq Stockholm, had entered into a merger agreement and adopted a joint merger plan regarding a merger between ACQ and Yubico, whereby ACQ was the acquiring company and absorbed Yubico. In connection with the completion of the merger on 20 September 2023, ACQ changed its name to Yubico AB and the Company's shares began trading on First North. Since the completion of the merger and the listing on First North, Yubico has expressed an intention to transfer to Nasdaq Stockholm.

Yubico's board of directors and executive management believe that the transfer from First North to Nasdaq Stockholm is a natural step in the Company's continued growth journey as a global cybersecurity company and ambition to continue to create shareholder value by increasing opportunities to retain and attract key employees, customers and partners, as well as to broaden the investor base and provide opportunities for increased institutional and international ownership. The quality indication which a listing on Nasdaq Stockholm implies is expected to have a positive effect on the business in relation to customers, shareholders, and other stakeholders.

In light of the above, the board of directors has applied for admission to trading of the Company's shares on Nasdaq Stockholm. On 27 November 2024, Nasdaq Stockholm assessed that the Company meets the listing requirements on the regulated market Nasdaq Stockholm. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm provided that customary conditions are met. The first day of trading in the Company's shares on Nasdaq Stockholm is expected to be 5 December 2024.

The Prospectus has been prepared by the board of directors of Yubico. The board of directors is responsible for the contents of this Prospectus and, to the best of the board of directors' knowledge, the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect its import. Where the information in this Prospectus is provided by a third party, such information has been accurately reproduced. As far as Yubico is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

3 December 2024

Yubico AB

The board of directors

4 BUSINESS DESCRIPTION

OVERVIEW OF YUBICO

Yubico is a global cybersecurity company with head offices in Stockholm, Sweden and Santa Clara, CA, the U.S, and with its registered office in Stockholm. Yubico provides advanced authentication solutions that prevent account takeovers. Yubico's mission is to make the internet safer for everyone by preventing the primary cybersecurity problem; stolen credentials, which cause 80 percent out of all cybersecurity intrusions, often through phishing attacks.³ Yubico's core product and invention, the YubiKey, is an MFA hardware token with the purpose to ensure that only permitted users have access to sensitive accounts and systems. The authentication solution encompasses an extensive portfolio of proprietary technologies. The products are mainly manufactured in Sweden, but also in the U.S. The programming is conducted in Yubico's offices in Stockholm and Santa Clara. As of the date of the Prospectus, YubiKeys have been sold to customers and users in more than 160 countries worldwide.

MFA solutions have existed for decades, but the standards vary. Traditional or basic solutions have often been expensive and hard to use, and companies have had to compromise between security and ease of use for their employees. In its value proposition, Yubico strives to combine both high security and ease of use.

Yubico has been a well-established⁴ innovator in the advanced MFA for over a decade. By creating and evolving effective and innovative open standards for authentication solutions, software development kits ("**SDKs**") and implementation of secure authentication, Yubico has become a regarded actor in the sector.

The YubiKeys have been adapted to relevant government regulations, including the American Federal Information Processing Standard (FIPS). These certifications are also part of Yubico's work to use open authentication standards. This makes Yubico's security keys flexible and easy to use with virtually all computer and mobile operating systems and the product has more than 1,000 verified partner integrations.

Yubico has a strong track record and is not aware of any successful account intrusion having occurred into an account protected by Yubico's authentication solutions. The YubiKey supports both modern and legacy systems, being compatible with multiple authentication protocols, including FIDO2/WebAuthn, Universal 2nd Factor (U2F), Personal Identity Verification ("**PIV**")/Smart Card, and One-Time Passwords (OTP). This enables and simplifies the implementation of the solution for companies with complex backend systems. The combination of open standards, an extensive integration database (with more than 1,000 verified partner integrations), support for multiple authentication protocols and a wide partner network allows YubiKeys to be used universally in almost any enterprise system.

Yubico consider itself to have achieved a distinctive position in the U.S. technology sector with several of the major technology companies in the world, including Amazon, Google and Microsoft, either protecting staff with YubiKeys, or adding support for YubiKeys in their systems to protect sensitive information from cyberattacks. In the last few years, Yubico has not only continued to grow its presence among technology companies, but the Company has also been able to grow and diversify its customer base into other industry verticals, such as financial services, manufacturing, retail, governments, defense sector and the wider public sector. As of the end of 2023, more than 26 percent of all G2000 companies had purchased YubiKeys.⁵

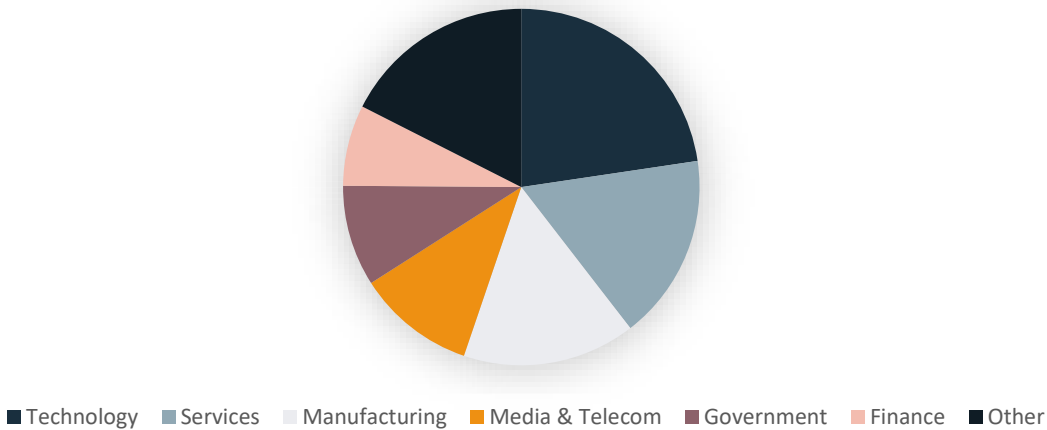
The below chart shows Yubico's bookings in 2023 split by segment.

³ Verizon's Data Breach Investigations.

⁴ For a number of years, Yubico has had a customer base that has included many of the largest technology companies in the world, including a partnership with Google since 2012.

⁵ Internal calculation based on the Company's own information.

Share of bookings 2023 per segment

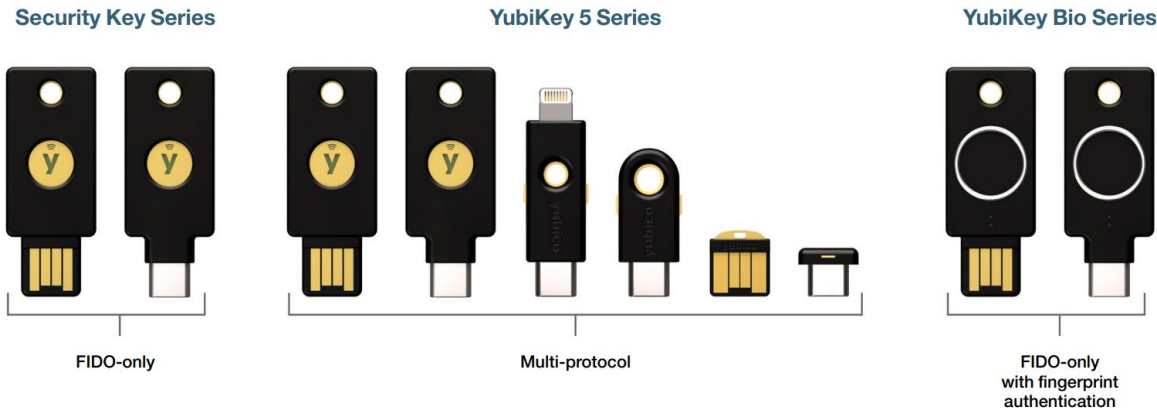


YubiKeys have historically been sold with a one-time payment offering for a license, also known as the perpetual model, which gives the customer ownership of the product for its entire lifetime. During 2020, YubiKey as a Service was introduced, in which Yubico assumes a larger overall responsibility and retains ownership of the hardware. Since its launch, YubiKey as a Service has grown and subscription bookings amounted to 14.9 percent in 2023. Subscription bookings amounted to 18.0 percent for the nine-month period ended 30 September 2024. The enterprise offering of YubiKey as a Service includes an enterprise portal, YubiKey's delivery options, support, extended warranty and professional services.

Yubico's growth strategy focuses on a set of strategic initiatives leveraging Yubico's capabilities and competencies, such as the Company's well established customer base, extensive partner network, scalable sales model, and strong R&D capabilities. Yubico's marketing and sales team are continuously working to attract new customers in both existing and new markets, and to expand within existing customer accounts. Yubico has historically shown strong growth with existing customers. Previous customer experience has shown that many customers are expanding their use of YubiKeys from internal use to a larger part of the value chain, for example to vendors, consultants and to their own customer base. This expansion outside the internal organization is a big opportunity for future growth and has the potential to become an important source of revenue. Yubico's growth strategy also includes attracting new customers in existing verticals, as well as new verticals. Yubico also aims to broaden its product offering through R&D and increase sales through its partner ecosystem.

YUBICO'S OFFERING

Overview of the main hardware product families



Yubico's core product portfolio encompasses several hardware product families and supporting YubiKey services.

Security Key Series

The Security Key Series combines hardware-based authentication, public key cryptography, and the FIDO2/WebAuthn and FIDO U2F protocols to eliminate account takeovers, meeting the needs of consumers as well as enterprises.

YubiKey 5 Series

The YubiKey 5 Series prevents account takeovers by providing strong phishing defense using multi-protocol capabilities that can secure legacy and modern systems. The product includes strong two-factor, multi-factor and passwordless authentication, and seamless touch-to-sign with a full range of form factors.

YubiKey Bio Series

YubiKey Bio Series supports biometric authentication using fingerprint recognition for secure and seamless passwordless logins.

YubiKey 5 FIPS Series

The YubiKey 5 FIPS-certified security keys meet the highest level of assurance (AAL3) of the new NIST SP800-63B guidelines.

YubiHSM (Hardware Security Module)

Protection for cryptographic keys with the world's smallest hardware security module (HSM), and ensure uncompromised cryptographic hardware security for applications, servers, and computing devices at a fraction of the cost and size of traditional HSMs.

Supporting YubiKey services

The YubiKeys are supported by several services including the Yubico Authenticator app and SDKs. The Yubico Authenticator is a software-based solution for authenticating users of software applications on desktops and mobile phones. Yubico Authenticator stores the credentials in the secure element of the YubiKey and cannot be extracted from the YubiKey. The SDKs facilitate a smooth integration with customer applications, offer seamless in-app experiences, reduce app development time through enterprise-grade SDK integrations and consistent security posture through cross-platform support.

YubiEnterprise services

Yubico offers two services to its enterprise customers, YubiKey as a Service and YubiEnterprise Delivery, which enable flexible purchasing and efficient delivery of YubiKeys, globally and at scale. The services are independent but complement each other depending on the customer's situation and business needs.

YubiKey as a Service

YubiKey as a Service offers enterprise customers to license keys on a per-user based subscription. This simplifies acquisition and roll-out of phishing-resistant authentication through the YubiKeys for organizations with 500 users or more, with guaranteed flexibility and with additional cost savings. Subscription customers are automatically entitled to a web-based interface that helps organizations easily view orders, shipments, inventory status and a wide range of other information and support that helps with enterprise deployment and planning. Subscription customers are also eligible to purchase additional services and product offerings.

YubiEnterprise Delivery

The YubiEnterprise Delivery is a cloud-based service that streamlines the distribution of YubiKeys to end-users, serving both domestic and international locations including residential addresses. Yubico ships keys to over 70 countries and also use partners to ensure the shipment of YubiKeys to most countries worldwide.

BUSINESS MODEL

Go to market

An important part of Yubico's development journey came from early adopters of IT security solutions, who bought YubiKeys online for testing, and then influenced their companies internally to increase cybersecurity protection. By then, the IT department has already tested the keys and were able to guide the organization and decision makers into a larger deployment of YubiKeys. Yubico's current go to market approach focuses on addressing larger deployments from start, a strategy that has been successfully enabled by the YubiKey as a Service that gives enterprises the flexibility to purchase, deploy and ramp-up usage in line with internal requirements and changing needs.

Sales channels

Yubico uses a combination of direct and indirect sales channels. For the largest enterprises and strategic accounts, Yubico uses a high service sales organization. For medium-sized enterprises, Yubico uses a direct sales and partner fulfillment. Small businesses and consumers are handled through Yubico's e-commerce and local resellers.

Yubico's sales team consists of approximately 150 employees, including sales representatives, channel partner managers, customer success managers and technical specialists. This team is tailored to engage with customers across all industries and all countries through a regional setup. Yubico's indirect sales network consists of approximately 40 selected distributors with a total network of several thousands of resellers globally.

Revenue model

The YubiKeys have historically been sold through a one-time payment from the customer, also known as the perpetual model, but over the last four years Yubico has been expanding its business by launching a subscription-based model, YubiKey as a Service. YubiKey as a Service creates new ways for Yubico to deepen customer relationships and grow revenue over time as it provides customers with a more flexible alternative that can reduce the customer's buying barriers and create incentives to secure that a larger share of the enterprise customer's employees is included from the start in the initial order and which enables a swifter implementation of Yubico's products in the business as a whole.

The perpetual revenue model is based on the customer making a one-time purchase of a YubiKey with an upfront payment, which gives the customer sole ownership of the hardware. Key benefits for the customer related to the perpetual model include that it is a one-time investment which makes it an attractive alternative for customers who want to try the YubiKeys at a smaller scale first. For Yubico, this implies an important initial sales step allowing testing before larger deployments.

The subscription offering is available on multi-year terms; 3, 4 or 5 years, and is either paid for annually or upfront for the full subscription period, and entails that the hardware is provided as a service with Yubico retaining ownership of the hardware. This provides the customer with a lower cost on entry, high degree of customization and flexibility. For Yubico, YubiKey as a Service results in predictable revenues over the contract period and allows Yubico to increase revenues from existing customers as well as their partners and also the customer's customers. This expands Yubico's addressable market in existing accounts, offering a faster path to growth compared to signing new customers. Thus, Yubico aims to increase sales of YubiKey as a Service going forward, while still keeping the perpetual alternative. YubiKey as a Service is offered through all sales channels, except e-commerce, and is currently available for deals larger than 500 users. The direct sales team as well as the indirect sales channel of selected distributors work actively on optimizing customer engagement and sales based on account size, geography, and industry.

CUSTOMER BASE AND CASE STUDIES

Customer business drivers

Today, cyber-attacks are one of the biggest threats to businesses, which in many cases are performed by using stolen credentials. The underlying business drivers and the need for Yubico's solutions can be summarized in three categories, (i) maximize security, (ii) modernize MFA and (iii) achieve compliance, as new rules and regulations apply. Maximize security includes drivers to prevent account takeovers, secure supply chain and replace less secure MFA solutions. The modernized MFA category includes drivers to improve user experience, increase productivity, reduce cost, and enable digital transformation. Achieve compliance comprises being compliant with various standards and certifications such as FIPS, Sarbanes-Oxley Act (SOX) and General Data Protection Regulation (GDPR).

Yubico's customers use YubiKeys for different situations. Typical use cases include securing the accounts of high-risk users such as people in IT, human resources and management, securing call centers, protecting shared workstation users, and enabling remote workforce. Other typical use cases are improving user experience and security for office workers, protecting corporate system access by third parties and safeguarding Yubico's customers' end customers.

Customer base

Yubico's products secure access to computers, networks and online services for thousands of businesses and millions of users in more than 160 countries globally. Yubico's customer base includes 19 of the 20 largest technology platforms in the U.S. and more than 26 percent of the G2000 companies have purchased YubiKeys.⁶ Historically, Yubico's largest customer industry has primarily been global technology companies, including companies such as Amazon, Atlassian, eBay, Google, Microsoft, Okta, Salesforce and X. Over time, Yubico has attracted more customers from other industry verticals such as financial services, manufacturing, retail, and governments agencies, including CERN, Coinbase, Dyson, Hyatt Hotels, Novartis, Schneider Electric, and the State of Washington to name a few. In 2018, clients in the technology sector accounted for 57 percent of bookings (excluding bookings related to e-commerce), while the technology sector accounted for approximately a quarter of the bookings (excluding e-commerce related bookings) in 2023. Yubico's growth in 2023 came from a wide range of customers in different industries and geographies. The U.S. has historically been Yubico's largest market and during 2023 strong revenue growth was recorded in the public sector and financial services sector in the U.S., but also from a large number of Canadian, European and Asian customers. Yubico's largest markets outside the U.S. are the DACH region (Germany, Austria and Switzerland), the UK and Canada.

Google case study

One of Yubico's early influential customers is Google, who contacted Yubico in 2011 to help them with a situation where Google was the target of sophisticated cyberattacks capable of circumventing traditional security controls and lacked viable authentication options. At the time, Google was using an authentication app, which proved to be vulnerable to phishing and targeted hacker

⁶ Internal calculation based on the Company's own information.

attacks. To solve the problem, Google decided, after thorough testing, to make YubiKeys the single and mandatory authentication method for all employees. Since this deployment of YubiKeys at Google, no accounts protected by YubiKeys are known to have been hacked. In addition, according to Google's own calculations, the implementation of YubiKeys made their staff login process four times faster than before and created significant savings in IT support thanks to a 92 percent reduction in password-related support cases.

Case study from Hyatt Hotels

Hyatt Hotels Corporation is one of the world's most well-recognized and respected hospitality brands with approximately 200,000 employees, 1,500 hotels and all-inclusive properties spanning across 70 countries. With so many properties and employees spread out across the globe, it is a daunting task to keep them all safe from an ever-growing list of cyber risks not to mention the need to have each colleague authenticate before access to Hyatt's tools and applications. For customer facing roles at the front desk, mobile authentication was not only an insecure method of authentication, it had the potential to alter the perception of customer experience that a colleague provides.

Having a mobile phone in hand sends a negative perception that a Hyatt employee is engaged in personal or social media activities, which was not the image that Hyatt wanted to portray. As a result of the passwordless experience provided by the YubiKey, Hyatt colleagues are able to seamlessly and quickly authenticate to their work environment to fulfill the guest needs, supporting greater eye contact with the guest and a more seamless guest experience.

Forrester Total Economic Impact study™

In 2022, Yubico commissioned Forrester Consulting to conduct a Total Economic Impact™ study and examine the potential return on investment (ROI) enterprises may realize by deploying YubiKeys. Forrester Consulting interviewed security leaders from organizations using YubiKeys across their user bases who reported that YubiKeys prevent the risk of phishing and credential theft, drove business growth through improved security levels and reputation, and improved productivity and user experience across the organizations. Forrester Consulting's study concluded that an investment in YubiKeys yielded a return on investment of approximately 200 percent and that the investment was paid back within eleven months.

TECHNOLOGY AND PRODUCT DIFFERENTIATION

High security often comes with the trade-off of high complexity. The vision and motivation behind the invention of the YubiKey was to combine high security with ease of use. With increased threat levels and increasing complexity of services, there is an even higher demand for secure and future-proof technologies with simplicity in implementation and user experience.

Yubico's products are built on modern secure elements, used for the majority of Smart Cards, payment cards and passports, providing conditions for the best in class protection against unauthorized access. The design of the YubiKey minimizes the attack surface, by moving storage of cryptographic keys and secure processing away from the computer and into an external dedicated hardware authentication device. In today's highly complex systems, this is becoming increasingly important. Additionally, the products are designed with respect for its customers and the environment. This is taken into consideration with how YubiKeys are produced, making them crush and water resistant, and do not need batteries. The YubiKeys are also characterized by long lifespan and can be used for several years before replacements are needed.

There are five areas of differentiation that underpin Yubico's value proposition of high security and ease of use, and its position within authentication technology.

World class innovator

Yubico has a position as a well-established innovator and actor in the authentication space after being operational for more than one and a half decades. The Company works with creating and evolving open standards, which has provided Yubico to be able to offer an attractive solution in the market, from authenticators to SDKs, and best practices around implementing secure authentication. Yubico believes that open standards are the heart of successfully securing the internet and making it accessible to all. Even though Yubico has worked with open standards since the start, the Company has an extensive portfolio of proprietary technologies and a patent portfolio in technology. Yubico is the core inventor behind FIDO U2F and FIDO2 and holds, according to Yubico, a strong position ahead of competition.

In order to keep growing and stay in the forefront, Yubico needs to continue investing in R&D. The Company has a highly skilled engineering team with approximately 100 people within engineering, product and solutions committed to developing new technologies to pioneer the next generation of authentication standards that are paving the way for a password-free future.

Superior hardware and firmware

Yubico has more than 15 years of experience in building high-quality hardware and firmware, which the Company believes contributes to one of the most feature-rich, easy-to-use, durable, and secure authentication products on the market. The quality and dependability of the YubiKey is deemed by the Company to be superior, which is supported by the following factors.

- Highly secure specialized hardware to minimize the attack surface
- Durable and high-quality hardware that can last for years – invented an efficient way to manufacture the YubiKeys, in one solid and robust plastic using a unique high pressure injection moulding technique
- Proprietary firmware developed by industry experts and that is being refined continuously
- Multi-protocol support that can be integrated within existing systems, and provides compatibility across many different devices

Enterprise enablement

One of the core features of the YubiKey is the wide array of cryptographic protocols that are supported, which enables YubiKey to integrate with over 1,000 applications and provide an authentication solution for both legacy and modern infrastructures. Coupled with the vast ecosystem of partner integrations, this makes Yubico an attractive choice for enterprises of all sizes. Yubico's open-source SDKs further enable YubiKey integration into custom services.

- Ecosystem with more than 1,000 partner integrations
- Subscription service, YubiKey as a Service, with fast rollouts, replacements for lost keys, and flexible tiers
- Global reseller and network providing local sales and solution support in most markets
- Custom programming for pre-configuration of devices
- SDKs to enable custom development and provisioning

Controlled and secure supply chain at scale

Yubico's hardware-backed authenticators rely on a global secure supply chain. Sensitive operations, such as programming, take place at the Company's facilities in Sweden and the U.S. Yubico have also built a robust chain of trust that starts with the Company's vendor assurance program and ends with programmatic validation of components.

To ensure vicinity to all aspects of manufacturing, Yubico uses third party suppliers that manufacture and finish the parts close to the Company's main offices, primarily in Sweden but also to some extent in the U.S., where Yubico can make continuous improvements while keeping tight control over production. Yubico uses third-party service providers for shipment to end-customers, distributors, and resellers to ensure delivery of YubiKeys to most countries worldwide. With manufacturing, programming, testing, and shipment all managed by the Company, Yubico has control over the supply chain in relevant aspects. This ensures quality in the device, integrity, and security as well as the ability to build the product to our exact specification.

- Custom-built tools and software for maximum control and security
- Sensitive data only handled securely, in Yubico's facilities
- Ability to scale production to meet demand

Certifications, regulatory compliance, and patents

To ensure local regulatory compliance, Yubico has an active presence in regulatory forums such as FIDO Alliance. Further, Yubico has a team dedicated to working with local and regional certifications, such as FIPS and FIDO certification level 2. In addition, several government agencies have approved the YubiKey without awarding a specific certification. Certifications are often recognized regionally so the current certification status provides a competitive advantage in the U.S. and EU. Yubico's long history of innovation has resulted in an extensive portfolio of approximately 50 awarded patents in areas such as usability, programming, production, automation, and protocol evolution.

SUSTAINABILITY

Yubico's overall vision is to make the internet safer for everyone.

Yubico has identified five focus areas within sustainability:

- **Minimizing environmental impact:** Yubico is committed to reducing its environmental impact by, for example, offering high quality and sustainable products, reviewing manufacturing processes, minimizing packaging use and using recycled and renewable materials, working with environmentally conscious suppliers and complying with waste management directives such as Waste from Electrical and Electronic Equipment (WEEE), and joining Extended Producer Responsibility (EPR) (reporting packaging materials generated in a specific country and paying a fee for waste management).
- **Supporting a diversified and global team:** Yubico is also committed to ensuring a safe and healthy work environment, conducting training to counter harassment of all kinds, promoting gender equality, working to limit staff turnover, and encouraging employee engagement. Yubico's innovative corporate culture is strongly values-driven and is based on diversity, inclusion, and a healthy work environment. Diversity is an important question for Yubico since the Company's global team is based in several different countries. Approximately 30 percent of Yubico's employees are women and Yubico is working with the initiative to increase the number of women in technical areas such as development and sales, including by collaborating with the organization Women in Cybersecurity (WiCys).

- **Protecting critical IT infrastructure:** Yubico is actively working to contribute to and develop the world's first web authentication standard; and the only technology proven to prevent account takeovers at scale. Yubico built the first reference designs for FIDO/WebAuthn security keys, published free open-source servers, and offered free technical support, leading to adoption by well-established technology and service providers worldwide. Yubico also contributes to standards by participating in groups such as IETF, W3C and FIDO to increase the protection of critical infrastructure.
- **Securing freedom of speech, democracy, and human rights:** As part of the realization of the Company's vision, to contribute to secure information, the protection of citizens and, by extension, democracy, Yubico donates thousands of keys every year to journalists, non-profit organizations and people working to protect human rights. Yubico is working to spread knowledge about login keys and password-free solutions, including through webinars, blogs and websites for developers. Through Yubico's Secure it Forward program, security keys are provided to help the most vulnerable improve their authentication. Yubico donates keys to journalists, aid workers, non-profit or organizations in need.
- **Ensuring high ethical standards:** Yubico stands for integrity, fairness, and respect in all its relationships. Building trust with customers, partners and society is the foundation for long-term success. Yubico is committed to high ethical standards with zero tolerance for human rights violations, bribery, and corruption, and complies with the laws, regulations and policies of the countries in which it operates. The Company's board of directors has adopted a Code of Conduct that includes guidelines on anti-corruption, labor, human rights, and environmental issues, as well as a whistleblower process. All new Yubico employees participate in an induction program that includes the Code of Conduct. In 2024, all employees have confirmed that they have taken note of Yubico's policy in this area and Yubico will also introduce a recurring training for all employees on the Code of Conduct, insider trading, anti-corruption and the whistleblowing process. A Code of Conduct for the Company's existing and new business partners, including, among others, distributors and suppliers, has also been developed and implemented.

KEY EVENTS IN YUBICO'S HISTORY

Year	Event
2007	Yubico was founded in Stockholm, Sweden, by Stina and Jakob Ehrensward to develop the YubiKey 1.0, a one-time password authentication, requiring no client or driver.
2012	Yubico signs partnership with Google to co-create the open authentication standard "U2F".
2013	Yubico and Google contribute to the U2F technical specifications and to FIDO Alliance. Yubico is thereafter elected to the board of FIDO Alliance.
2018	Yubico launches YubiKey 5 Series and the first passwordless YubiKey.
2020	Yubico's subscription-based service for enterprises, YubiKey as a Service, is launched.
2021	Yubico introduces the next generation of FIPS certified security keys with the YubiKey 5 FIPS Series and also introduces a new FIPS-validated hardware security module, the YubiKey HSM2 FIPS.
2022	Apple supports YubiKey and Yubico has sold more than 22 million YubiKeys since inception.
2023	ACQ and Yubico merge, and the Company is listed on First North.
2024	Yubico prepares to transfer to Nasdaq Stockholm and moves its Stockholm head office from Kungsgatan 44 to new premises at Gävlegatan 22 in order to meet the increased need for programming and logistics capacity.

STRATEGIC PRIORITIES

Yubico's strategy focuses on a number of strategic growth initiatives leveraging the Yubico's superior capabilities including its global blue-chip customer base, extensive partner network, scalable sales model and strong R&D capabilities.

- **Increase penetration in existing customer base:** Yubico increases the engagement with current customers through adding new users and areas.
- **Expand to customers' customers and third-party suppliers:** Yubico's customers want to protect their end-users, and their suppliers to secure their value chain and to prevent third party breaches.
- **Acquiring new customers:** A part of the growth strategy is to attract new customers in existing and new verticals.
- **Expand to new areas:** Yubico is open to expanding within new authentication areas, as well as increasing sales through the Company's partner ecosystem.

In addition to the growth initiatives, Yubico is focusing on expanding YubiKey as a Service offering to both new and existing customers to build customer loyalty and retention.

STRENGTHS AND STRATEGIES

Several opportunities, strengths and competitive advantages have contributed to Yubico's growth and performance, and they provide a solid foundation for Yubico to continue executing on its strategy. These opportunities, strengths and competitive advantages include:

Attractive market trends support long-term growth

Yubico operates in the Advanced Authentication market, a submarket of Identification and Access Management (IAM), whose global market size in 2023 was estimated to be USD 5.2 billion.⁷ The Advanced Authentication is expected to continue to grow by approximately 13.6 percent per year up until 2027.⁸ The surge in advanced authentication is driven by escalating cyber threats, geopolitical instability, increased regulatory demands, and the shift to advanced authentication in the workforce. Yubico is positioned to address compliance needs, as an increasing number of companies are exploring a move towards user-friendly, passwordless login models.

Compelling value proposition and clear competitive advantages

Yubico's authentication solutions provide high security through phishing-resistant MFA and have been demonstrated at scale. YubiKeys have a strong track record of no successful hacking attempts to date known to Yubico. Additionally, Yubico's high-quality hardware and firmware rely on a global secure supply chain, which the Company fully controls. Yubico's products are backed by an extensive service package including flexible support, personalization services, and partners for ease of deployment, which makes Yubico's offering hard to replicate.

Trusted by global market leaders - creating a market standard for cybersecurity

Yubico's customer base spans across several sectors and clients include some of the largest global technology companies as well as governmental agencies. By establishing strategic partnerships, Yubico's solution is becoming a recognized standard in the Advanced Authentication segment. This widespread adoption positions the key contributor role which the Company perceives itself in the shaping of industry-wide cybersecurity practices, emphasizing the Company's pivotal role in setting new standards across various sectors. Yubico is actively working to help U.S. and EU regulators set up policies and legislation that promote cybersecurity in an efficient way.

Strong growth and solid profitability

Yubico has over the years shown a strong net sales development with a CAGR⁹ of 36 percent per year between 2019 and 2023. The Company has also held a stable gross margin of around 80 percent and showcased a positive EBIT since 2022. 2023 continued on a solid note with net sales growth of approximately 18 percent compared to 2022 and an adjusted EBIT margin of approximately 15 percent compared to 13 percent the year prior. In 2020, Yubico launched its subscription-based sales model, YubiKey as a Service, which accounted for approximately 12.8 percent of net sales in 2023. Yubico also had a 40 percent growth in annual recurring revenue ("ARR") in 2023. Sales through YubiKey as a Service are expected to increase going forward and create a recurring revenue stream. During the nine-month period ended 30 September 2024, Yubico has continuously shown increased net sales growth of 33.9 percent and increased bookings of 61.0 percent. During the same period, subscription bookings amounted to 18.0 percent.¹⁰

Proven strategy supported by strong underlying pillars as well as multiple growth vectors

Yubico's strategic growth plan centers on leveraging Yubico's key strengths, including a global bluechip customer base, extensive partner network, scalable sales model, and robust R&D capabilities. Key initiatives include expanding the current customer base, reaching customers' customers and third-party suppliers, acquiring new customers across various sectors, and exploring new authentication solutions adjacencies through R&D. Yubico also aims to enhance customer loyalty and retention by expanding its subscription offerings to both new and existing clients.

Experienced management team and solid organizational setup to continue successful scale-up

Yubico has an experienced global management team with deep industry knowledge. Some of the members of the executive management team have been working with the Company for more than a decade. The Company's employees come from some of the world's largest technology companies, with extensive experience in technology-focused business development. Yubico's CEO Mattias Danielsson has been with Yubico for more than a decade and has vast experience from the sector including co-

⁷ IDC, Market Insights on Advanced Authentication, 2023.

⁸ World Economic Forum, Global Cybersecurity Outlook 2023, January 2023.

⁹ Compound Annual Growth Rate.

¹⁰ For further information on Yubico's key financial performance measures, please refer to the section "Selected financial information – Reconciliation tables for alternative performance measures not defined in accordance with IFRS"

founding and leading the e-commerce platform Tradera which was later acquired by eBay. Yubico's technology-focused organization combined with the executive management team's knowledge and competence work seamlessly together with the founders Stina and Jakob Ehrensvärd who will continue being operational, makes the Company well-positioned to further expansion of the business.

FINANCIAL TARGETS

Yubico has two five-year financial targets which were announced in April 2023 and revised in February 2024. The first target is to increase the annual growth in net sales by 25 percent on average. To achieve this growth, Yubico will continue to work according to its strategy and develop and diversify its customer base by continuously improving and adapting its products and services to meet customer needs. Yubico will continue to develop its offering both within hardware and YubiKey as a Service, with a long-term goal of increasing sales within YubiKey as a Service. The second target is that Yubico, through this strategic approach, strives for an EBIT margin of at least 20 percent.¹¹

- Growth: Target of annual growth in net sales of 25 percent on average.
- Profitability: Target of 20 percent EBIT margin.
- Dividend policy: For the foreseeable future, Yubico will primarily use generated cash flow for investing in continued growth.

The financial targets set out above constitute forward-looking information. The financial targets are based on a number of estimates and assumptions related to, among other things, the development of Yubico's industry and markets, operations, results and financial position and are subject to risks and uncertainties, see further under "*Important information – Forward-looking statements and risk factors*" and "*Risk factors*" above.

¹¹ For further information on Yubico's key financial performance measures, please refer to the section "*Selected financial information – Reconciliation tables for of alternative performance measures not defined in accordance with IFRS*"

5 SELECTED FINANCIAL INFORMATION

The selected consolidated historical financial information of Yubico, as set out in the section "*Historical financial information*" below, as of and for the financial years ended 31 December 2023 and 2022 has been derived from Yubico's audited consolidated financial statements as of and for the financial years ended 31 December 2023 and 2022. These financial reports have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (IASB) as adopted by the EU, and audited by Yubico's independent auditor, Öhrlings PricewaterhouseCoopers AB ("**PwC**"), as set out in PwC's auditor's report on the historical financial information for the financial years 2022 and 2023, respectively. Yubico's audited consolidated financial statements and auditor's report are included in the section "*Historical financial information*" below (see page F-1 - F-42 in the Prospectus). The selected consolidated historical financial information of Yubico, as of and for the nine-month period ended 30 September 2024, with comparative figures for the nine-month period ended 30 September 2023, have been derived from Yubico's unaudited consolidated financial statements as of and for the nine-month period ended 30 September 2024. These have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and reviewed by Yubico's independent auditor PwC. Yubico's unaudited consolidated financial statements and review report have been incorporated into the Prospectus by reference (see further under "*Legal considerations and supplementary information - Documents incorporated by reference*"). Unless otherwise expressly stated, none of the financial information in the Prospectus has been audited or reviewed by Yubico's independent auditor.

KEY FINANCIAL MEASURES

Yubico applies certain selected alternative performance measures (APMs) that are not defined in accordance with IFRS (see under "*Definitions of alternative performance measures not defined in accordance with IFRS*"), in order to, *inter alia*, define the Company's financial targets. Yubico believes that the APMs together with key measures defined in accordance with IFRS provide valuable information for investors and other stakeholders in assessing Yubico's financial performance. In addition to the APMs, the Company has also chosen to include certain other financial measures, since the Company believes that it is practical to present all financial measures together in order to provide the reader with a more complete picture. As not all companies calculate financial measures in the same way, they are not always comparable with similar performance measures used by other companies.

The Company applies the European Securities and Markets Authority (ESMA) guidelines on alternative performance measures in this Prospectus. The guidelines aim to make alternative performance measures in financial statements more reliable, comparable and/or understandable, and thus promote the usefulness of the measures. For the purposes of these guidelines, an alternative performance measure is a measurement of historical or future financial performance, financial position, or cash flows. It is not a financial measure defined or specified in the applicable financial reporting framework. The information presented in the tables below has been calculated based on data from the Company's historical financial information for the financial years ended 31 December 2023 and 2022 and figures from the Company's historical financial information for the nine-month period ended 30 September 2024 (with comparative figures for the corresponding period in 2023). All key financial measures are unaudited except where explicitly stated otherwise.

	Nine-month period ended		Financial year ended	
	30 September		31 December	
	2024	2023	2023	2022
<i>MSEK (unless otherwise stated)</i>				
Net sales	1,703.2	1,271.9	1,827.3 ¹⁾	1,551.2 ¹⁾
whereof subscription sales, %	11.0	12.9	12.8	8.5
Net sales growth, %	33.9	17.1	17.8	78.8
Net sales growth (adjusted for change in foreign currency), %	34.7	10.7	12.2	61.7
Gross profit or loss	1,373.8	1,026.5	1,458.6	1,197.2
Gross margin, %	80.7	80.7	79.8	77.2
Adjusted operating profit/loss (EBIT)	326.5	182.1	266.2	203.4
Adjusted EBIT margin	19.2	14.3	14.6	13.1
Operating profit/loss (EBIT)	326.5	88.2	179.1 ¹⁾	203.4 ¹⁾
EBIT margin, %	19.2	6.9	9.8	13.1
Net profit/loss for the period	258.6	55.4	130.6 ¹⁾	244.5 ¹⁾
Earnings per share, before dilution	3.00	1.09	2.19	4.95
Earnings per share, after dilution	2.92	1.09	2.19	4.79
Net cash	676.1	497.0	473.3	180.0
Bookings	1,861.2	1,155.9	1,840.0	1,584.2
whereof subscription bookings, %	18.0	12.5	14.9	15.3
Annual Recurring Revenue (ARR)	292.7	255.3	286.5	204.7

1) Audited financial measures.

Definitions of alternative performance measures not defined in accordance with IFRS

Alternative Performance Measures (APM) not defined in accordance with IFRS	Definition	Purpose
Gross profit or loss	Net sales less cost of sales.	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). The gross margin is an indicator of the Company's core profitability and helps assess the efficiency of the production and supply chain.
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 an understanding of the group's overall profitability.
Adjusted operating profit/loss (EBIT)	Operating profit/loss (EBIT) adjusted for items affecting comparability.	The measurement is a complement to operating profit (EBIT). Shows the profitability of the operations, adjusted for items affecting comparability.
Adjusted EBIT margin	Operating profit/loss (EBIT) in relation to net sales adjusted for items affecting comparability.	The measure is a complement to the Adjusted EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). Adjusted EBIT margin

Alternative Performance Measures (APM) not defined in accordance with IFRS	Definition	Purpose
Items affecting comparability	A transaction or event that has a significant impact on the Company's results and is not expected to occur regularly in the future.	is used to provide an understanding of the group's overall profitability, adjusted for items affecting comparability. The purpose of identifying and reporting items affecting comparability is to provide investors and other users of the financial reports with a clearer picture of the Company's underlying performance, by distinguishing the effects of events that are not representative of normal operations.
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.
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.
Subscription sales	Net sales related to subscription.	Understand the magnitude of subscription revenue.
Bookings	Total value of bookings received during the period.	Measure used to analyze the magnitude of increase in bookings.
Subscription bookings	Total value of subscription bookings received during the period.	Measure used to analyze the expected volume of future revenue related to subscription.
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.

Reconciliation tables of alternative performance measures not defined in accordance with IFRS

The tables below provide reconciliations of APMs used in the Prospectus that are not defined in accordance with IFRS. For definitions and justification of the use of alternative performance measures not defined in accordance with IFRS, see further under "-Definitions of alternative performance measures not defined in accordance with IFRS".

	Nine-month period ended 30 September		Financial year ended 31 December	
	2024	2023	2023	2022
<i>MSEK (unless otherwise stated)</i>				
Gross profit and gross margin				
Net sales	1,703.2	1,271.9	1,827.3	1,551.2
Cost of sales and services	-329.4	-245.5	-368.7	-354.0
Gross profit or loss	1,373.8	1,026.5	1,458.6	1,197.2
Divided by net sales	1,703.2	1,271.9	1,827.3	1,551.2
Gross margin, %	80.7	80.7	79.8	77.2

	Nine-month period ended		Financial year ended	
	30 September		31 December	
	2024	2023	2023	2022
<i>MSEK (unless otherwise stated)</i>				
EBIT margin				
Operating profit/loss (EBIT)	326.5	88.2	179.1	203.4
Divided by net sales	1,703.2	1,271.8	1,827.3	1,551.2
EBIT margin, %	19.2	6.9	9.8	13.1

	Nine-month period ended		Financial year ended	
	30 September		31 December	
	2024	2023	2023	2022
<i>MSEK (unless otherwise stated)</i>				
Adjusted operating profit (EBIT) and adjusted EBIT margin				
Operating profit/loss (EBIT)	326.5	88.2	179.1	203.4
Adjustment for items affecting comparability - transaction related costs	-	93.9	87.2	-
Adjusted operating profit (EBIT)	326.5	182.1	266.2	203.4
Divided by net sales	1,703.2	1,271.9	1,827.3	1,551.2
Adjusted EBIT margin, %	19.2	14.3	14.6	13.1

	Nine-month period ended		Financial year ended	
	30 September		31 December	
	2024	2023	2023	2022
<i>MSEK (unless otherwise stated)</i>				
Net cash				
Cash and bank	727.6	581.4	547.3	283.5
Non-current interest-bearing liabilities	-11.7	-53.3	-44.7	-73.7
Current interest-bearing liabilities	-39.7	-31.2	-29.3	-29.9
Net cash	676.1	496.9	473.3	180.0

	Nine-month period ended		Financial year ended	
	30 September		31 December	
	2024	2023	2023	2022
<i>MSEK (unless otherwise stated)</i>				
Net sales growth (adjusted for change in foreign currency)				
Total net sales growth	431.3	185.3	276.1	683.7
whereof change in foreign currency	-7.7	62.2	98.6	92.3
whereof growth adjusted for change in foreign currency	439.0	123.1	177.5	591.6
Total net sales growth, %	33.9	17.1	17.8	78.9
whereof change in foreign currency, %	-0.8	6.3	5.6	17.2
whereof growth adjusted for change in foreign currency, %	34.7	10.7	12.2	61.7

6 CAPITALIZATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The Company's capitalization and net indebtedness as of 30 September 2024 is presented below on a consolidated and actual basis based on information derived from Yubico's unaudited consolidated financial statement for the nine-month period ended 30 September 2024 and internal accounting and reporting systems. All information below is based on unaudited financial information.

The tables in this section should be read in conjunction with the Company's financial reports and related notes for the financial years 2022 and 2023. These are set out in the section "Historical financial information" below and the Group's historical interim financial information for the nine-month period ended 30 September 2024, which has been incorporated into the Prospectus by reference (see also the section "Legal considerations and supplementary information – Documents incorporated by reference" below). The capitalization table only includes interest-bearing debt that is specified in the indebtedness table below. For information on the Company's share capital and shares, please refer to the section "Shares, share capital and ownership structure" below.

CAPITALIZATION

The table below presents the Group's capital structure as of 30 September 2024.

SEK million	As of 30 September 2024
Total current liabilities (including current portion of non-current liabilities)	39.7
For which guarantees have been issued ¹⁾	1.2
Against other security ²⁾	31.1
Unguaranteed/unsecured	7.5
Total non-current liabilities (excluding current portion of non-current liabilities)	11.7
For which guarantees has been issued	-
Against other security	-
Unguaranteed/unsecured	11.7
Equity	1,154.0
Share capital	215.3
Legal reserve(s)	-
Other reserves ³⁾	938.8
Total capitalization (excluding comprehensive income for the period)	1,205.5

1) Refers to bank guarantee.

2) Under the Company's credit facility agreement with AB Svensk Exportkredit, with an outstanding amount of SEK 29.3 million as of 30 September 2024, security has been provided in the form of property mortgages. The outstanding amount under the credit facility agreement was repaid in full by the Company on 28 November 2024.

3) Includes retained earnings of SEK 111.0 million, translation reserves of SEK 4.8 million and other contributed capital of SEK 823.0 million as of 30 September 2024, excluding comprehensive income for the period 1 January – 30 September 2024.

INDEBTEDNESS

The table below presents the Group's net indebtedness as of 30 September 2024.

SEK million	As of 30 September 2024
(A) Cash and bank	727.6
(B) Cash equivalents	-
(C) Other current financial assets	-
(D) Liquidity (A+B+C)	727.6
(E) Current financial liabilities (including debt instruments, but excluding current portion of non-current financial liabilities) ¹⁾	31.1
(F) Current portion of non-current financial liabilities ²⁾	8.7
(G) Current financial indebtedness (E)+(F)	39.7
(H) Net current financial indebtedness (G)-(D)	-687.8
(I) Non-current financial liabilities (excluding current portion and debt instruments) ³⁾	11.7
(J) Debt instruments	-
(K) Non-current trade and other liabilities	-
(L) Non-current financial indebtedness (I+J+K)	11.7
(M) Total financial indebtedness (H+L)	-676.1

1) Whereof leasing SEK 1.8 million.

2) Whereof leasing SEK 8.7 million.

3) Whereof leasing SEK 11.7 million.

WORKING CAPITAL STATEMENT

The Company assesses that the existing working capital is sufficient to meet the Company's requirements during the next twelve-month period. Working capital in the Prospectus refers to the Company's ability to access cash and cash equivalents in order to fulfil its payment obligations when they fall due for payment.

INDIRECT LIABILITIES AND CONTINGENT LIABILITIES

See note 18 in the section "*Historical financial information*" for a description of Yubico's pledged assets and contingent liabilities.

In connection with the delivery of YubiKeys, Yubico regularly issues product warranties for a period of twelve months in the case of sales through the perpetual model, and during the subscription period in the case of sales through YubiKey as a Service.

SIGNIFICANT INVESTMENTS

The following sets out the significant investments made by Yubico since 31 December 2023 up to the date of the Prospectus.

- During the period 1 January – 30 September 2024, Yubico has invested approximately SEK 7 million in production equipment.
- In connection with Yubico's change of premises for the Company's head office in Stockholm, investments of approximately SEK 6 million have been made in the new premises at Gävlegatan 22 in Stockholm.

In addition to what is stated above, Yubico has not made any significant investments and has no investments in progress and/or for which firm commitments have already been made.

RECENT DEVELOPMENTS AND CURRENT TRENDS

The Company assesses that several factors, such as increase of AI-driven cyberattacks, widening cyber inequity, and the need to protect critical infrastructure, have prompted stricter global regulations and a surge in demand for advanced security solutions. For instance, the EU's NIS2 Directive and the US National Cybersecurity Strategy have increased regulatory pressure on organizations to enhance their cybersecurity. The Company assesses that this drives the need for secure products like Yubico's hardware security keys, as businesses aim to meet stricter standards for multifactor authentication and data protection.

SIGNIFICANT CHANGES AFTER 30 SEPTEMBER 2024

On 28 November 2024, Yubico repaid the outstanding amount of SEK 29.3 million under the Company's previous credit facility agreement with AB Svensk Exportkredit, whereafter Yubico does not have any external interest-bearing debt financing.

Other than what has been described above, there have been no significant changes in the Group's financial position or results after 30 September 2024 up to and including the date of this Prospectus.

7 BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR

BOARD OF DIRECTORS

According to the Company's articles of association, the board of directors shall comprise a minimum of three and a maximum of ten members. The board of directors of Yubico currently consists of seven members, who have been elected for the period until the end of the annual general meeting in 2025. The table below sets out the members of the board of directors, their position, when they were first elected to the board and whether they are considered independent in relation to the Company and its management and in relation to the Company's major shareholders. In accordance with the Swedish Corporate Governance Code (the "Code"), more than half of the members of the board of directors elected by the general meeting shall be independent in relation to the Company and its management. At least two of the board members elected by the general meeting who are independent in relation to the Company and its management shall also be independent in relation to the Company's major shareholders. Major shareholders are defined in accordance with the Code as shareholders who directly or indirectly control ten percent or more of the shares or votes in the Company.

Name	Position	Director since	Independent in relation to the Company and its executive management	Independent in relation to major shareholders
Patrik Tigerschiöld	Chairman of the board	2021 ¹⁾	Yes	No
Jaya Baloo	Director	2024	Yes	Yes
Stina Ehrensvärd	Director	2007 ²⁾	No	No
Gösta Johannesson	Director	2017 ²⁾	Yes	No
Paul Madera	Director	2019 ²⁾	Yes	Yes
Ramanujam Shriram	Director	2014 ²⁾	Yes	Yes
Eola Änggård Runsten	Director	2021 ¹⁾	Yes	Yes

1) Including the previous position as board member of ACQ 2021-2023.

2) Refers to the date of election as board member of the former Yubico AB, reg. no. 556720-8755, before the merger with ACQ.

In the following, more detailed information is presented on the members of the board of directors, including their education, experience, current and previous assignments, and holdings in the Company as of the date of the Prospectus.

Patrik Tigerschiöld

Born 1964. Chairman of the board of directors since 2021. Chairman of the remuneration committee.

Education and professional experience: M.Sc. in Business and Economics from Stockholm University. Former CEO of Bure Equity AB and Skanditek AB before the merger with Bure Equity AB. Many years of experience from SEB and as head of SEB Fonder. Financial analyst at Hagströmer & Qviberg Fondkommission AB.

Other ongoing assignments: Chairman of the board and board member of Bure Equity AB, Mycron AB, Cavotec A/S and Studieförbundet Näringsliv och Samhälles (SNS). Board member and CEO of Anna Kirtap AB. Member of IVA, Ingenjörsvetenskapsakademien.

Assignments completed during the past five years: Former chairman of the board and board member of Självregleringen i Sverige Service AB, YPO Guld service AB, and Atle Investment Management AB. Board member of Ovzon AB (publ) Board member of Idevall & Partners Holding AB, and Idevall & Partners Fonder AB.

Holding in the Company (own and closely related parties' holdings)¹²: 15,111,943 shares and 4,200,000 sponsor warrants.

Independent in relation to the Company and its management, but not independent in relation to major shareholders.

¹² Including Bure Equity's holding of shares and sponsor warrants in the Company. see further under "Shares, share capital and ownership structure - Convertibles, warrants, incentive programs etc." below.

Jaya Baloo

Born 1973. Director since 2024.

Education and professional experience: DR. H.C., University of Twente, the Netherlands and international relations, Tufts University, Boston, the U.S. Previously Chief Security Officer (CSO) of Rapid7 and has worked within the area of information security with focus on secure network architecture for more than 20 years. Former Chief Information Security Officer (CISO) of Avast, and prior to that CISO at KPN, International Consultancy the largest telecommunications operator in the Netherlands, and former Vice President of the EU Quantum flagship.

Other ongoing assignments: Board member of NL:s National Cyber Security Centre, TIIN Capital and Nederlandse Omroep Stichting (NOS). She is also active within the faculty of the Singularity University.

Assignments completed during the past five years: Former board member of SVB and Nixu Oyj

Holding in the Company (own and closely related parties' holdings): -

Independent in relation to the Company and its management, and independent in relation to major shareholders.

Stina Ehrensvärd

Born 1967. Director since 2007.

Education and professional experience: Education in product design from the University of the Arts, Crafts and Designs in Stockholm. Previously consultant in industrial design. Co-founder of Yubico.

Other ongoing assignments: -

Assignments completed during the past five years: -

Holding in the Company (own and closely related parties' holdings)¹³: 9,310,904 shares and 13,445 PSUs under Yubico's share related incentive program.

Not independent in relation to the Company and its management, and not independent in relation to major shareholders.

Gösta Johannesson

Born 1959. Director since 2017. Member of the audit committee.

Education and professional experience: B.Sc. in Business and Economics from Uppsala University, and AMP from Wharton Business School.

Other ongoing assignments: Chairman of the board and board member of Xvivo Perfusion Aktiebolag. Board member of Mentice AB, PG Advice AB, ScandiNova Systems AB, and Floribus Invest AB. Senior adviser at Bure Equity AB.

Assignments completed during the past five years: Former chairman of the board and board member of Idevall & Partners Holding AB, and Idevall & Partners Fonder AB. Board member of Interflora Aktiebolag, Axiell Group AB, Axiell Group Intressenter AB, and Atle Investment Services AB.

Holding in the Company (own and closely related parties' holdings)¹⁴: 238,761 shares.

Independent in relation to the Company and its management, but not independent in relation to major shareholders.

Paul Madera

Born 1956. Director since 2019. Member of the remuneration committee.

Education and professional experience: B.S. from United States Air Force Academy, and MBA from Stanford Graduate School of Business. Many years of experience from the Meritech Capital Partners group.

Other ongoing assignments: Managing Director of Meritech Capital Partners and senior positions in several companies of the Meritech Group. Board member of Air Force Academy Foundation, DataStax Inc., Filevine Inc., GuideCX Inc., Icertis Inc., and Kinetica DB Inc.

Assignments completed during the past five years: Former board member of Braze Inc., Sonendo Inc., and ForgeRock Inc.

Holding in the Company (own and closely related parties' holdings)¹⁵: 1,948,827 shares.

Independent in relation to the Company and its management, and independent in relation to major shareholders.

¹³ Including shares held by Jakob Ehrensvärd and Siros Innovation AB, and PSUs held by Jakob Ehrensvärd.

¹⁴ Including shares held by PG Advice AB.

¹⁵ Including shares held by Meritech Yubico L.L.C., Meritech Affiliates Yubico L.L.C. and Meritech Entrepreneurs Yubico L.L.C.

Ramanujam Shriram

Born 1957. Director since 2014.

Education and professional experience: B.Sc. from University of Madras.

Other ongoing assignments: Board member of Alphabet Inc., 24-7 Customer Inc., Paperless Post Inc., Antheia Inc., Krikey Inc., Abacus.AI, and EasyPost. Managing Director of Sheralo Ventures. Trustee of Dhanam Foundation, Stanford Health Care, and Indiaspora.

Assignments completed during the past five years: Former board member of GoForward Inc. Vice Chair and Trustee of Stanford University Board.

Holding in the Company (own and closely related parties' holdings)¹⁶: 3,245,487 shares.

Independent in relation to the Company and its management, and independent in relation to major shareholders.

Eola Änggård Runsten

Born 1965. Director since 2021. Chairman of the audit committee.

Education and professional experience: M.Sc. in Business and Economics from Stockholm School of Economics. CFO of AcadeMedia AB (publ) 2013-2019, various management positions at EQT, CFO of SEB Wealth Management and CFO of Affibody Biotechnology.

Other ongoing assignments: Chairman of the board and board member of Caybon Holding AB. Board member of Softronic AB, Mentice AB, DIB Services AB, ILT Group AB, several companies within the ILT Group (Poly IntermediateCo AB, Poly MidCo AB and Poly BidCo AB), Bild & Runsten AB, Eola Advisory. Interim CFO of Trill Impact AB.

Assignments completed during the past five years: Former board member of Sdiptech AB, CFO of AcadeMedia AB and board member of several companies within the AcadeMedia group, interim CFO of Wise Group AB and board member of several companies within the Wise group, board member of companies within the Caybon group and other interim roles on a consulting basis.

Holding in the Company (own and closely related parties' holdings)¹⁷: 2,000 shares.

Independent in relation to the Company and its management, and independent in relation to major shareholders.

¹⁶ Including shares held through trusts, established for the benefit of Ramanujam Shriram and/or closely related parties.

¹⁷ Including shares held by Eola Advisory AB.

EXECUTIVE MANAGEMENT

Name	Position	Member of the executive management since	Employed by the Group since
Mattias Danielsson	Chief Executive Officer	2010 ¹⁾	2010 ¹⁾
Camilla Öberg	Chief Financial Officer	2020 ¹⁾	2020 ¹⁾
Jerrod Chong	Chief Operating Officer	2013 ¹⁾	2013 ¹⁾
Carl Helle	Chief Revenue Officer	2024	2024
Henrik Lejdeborn	General Counsel	2021 ¹⁾	2018 ¹⁾
Emanuela Todaro	Chief People Officer	2021 ¹⁾	2017 ¹⁾

1) Including position in the former Yubico AB, org.nr. 556720-8755, before the merger with ACQ.

Below is a presentation of the executive management, including education, experience, current and previous assignments, and holdings in the Company as of the date of the Prospectus.

Mattias Danielsson

Born 1971. Chief Executive Officer since 2023.

Education and professional experience: M.Sc. in Business and Economics from Stockholm School of Economics. Ph.D. studies at Stockholm School of Economics and UC Berkeley. Co-founder, board member and former CEO of Tradera, and co-founder and board member of Avito Holding AB.

Other ongoing assignments: Board member of Solvatten AB and CEO and board member of Aaemeo AB.

Assignments completed during the past five years: Former board member of Siros Innovation AB and Solvatten Charitable Foundation US.

Holding in the Company (own and closely related parties' holdings)¹⁸: 757,391 shares and 58,000 PSUs under Yubico's share related incentive program.

Camilla Öberg

Born 1964. Chief Financial Officer since 2020.

Education and professional experience: M.Sc. in Business and Economics from Stockholm School of Economics. Many years of experience from leading finance positions in the IT consulting industry, including with Cybercom, Logica Holdings AB, and WM-data.

Other ongoing assignments: Chairman of the board and board member of Southside Stories AB. Board member of Xvivo Perfusion Aktiefbolag, Investment AB Vålslund, and Instalco AB.

Assignments completed during the past five years: Former board member of Knowit Connectivity AB, Knowit IS/IT Services AB, Cybercom Denmark, and Cybercom Poland. Chairman of the board and board member of Bostadsrättsföreningen Rudan 2. Former CFO of Cybercom Group AB

Holding in the Company (own and closely related parties' holdings): 18,725 shares and 26,500 PSUs under Yubico's share related incentive program.

Jerrod Chong

Born 1974. Chief Operating Officer since 2023.

Education and professional experience: B.Sc. and M. Eng. in computer science from University of Michigan. Many years of IT security experience and selling of complex enterprise solutions to Global 2000 customers, and previous experience from Check Point and Protect Data AB.

Other ongoing assignments: -

Assignments completed during the past five years: -

Holding in the Company (own and closely related parties' holdings): 282,459 shares and 47,333 PSUs under Yubico's share related incentive program.

¹⁸ Including shares held by Aaemeo AB.

Carl Helle

Born 1966. Chief Revenue Officer since 2024.

Education and professional experience: BA degree from Iowa State University and MBA from Marquette University. More than 20 years of experience in IT security and leadership. Previously at Cisco Systems, Proofpoint, BeyondTrust and Deepwatch.

Other ongoing assignments: -

Assignments completed during the past five years: -

Holding in the Company (own and closely related parties' holdings): 130,000 PSUs under Yubico's share related incentive program.

Henrik Lejdeborn

Born 1976. General Counsel since 2018.

Education and professional experience: Law degree from Stockholm University. Many years of experience from leading the legal functions of high-tech companies in various stages of development.

Other ongoing assignments: -

Assignments completed during the past five years: -

Holding in the Company (own and closely related parties' holdings): 56,857 shares and 29,500 PSUs under Yubico's share related incentive program.

Emanuela Todaro

Born 1971. Chief People Officer since 2021.

Education and professional experience: B.Sc. in Materials Science and Engineering from Politecnico di Torino, and M.Sc. in Material Science and Engineering from Stanford University. Many years of experience in HR with focus on the tech sector, including positions at Accelion and Embrane, among others.

Other ongoing assignments: -

Assignments completed during the past five years: -

Holding in the Company (own and closely related parties' holdings): 68,282 shares and 28,667 PSUs under Yubico's share related incentive program.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Other than what is stated below, there are no conflicts of interest with any of the members of the board of directors and the executive management which entails that their private interests may be in conflict with the Company's. However, several members of the board and the executive management have financial interests in the Company as a consequence of their holdings, direct or indirect, of shares and/or PSUs in the Company.

Henrik Lejdeborn is Mattias Danielsson's brother-in-law. Beyond that, there are no family ties between the board of directors and the executive management. Both board member Stina Ehrensward and her husband Jakob Ehrensward, co-founder of Yubico, are employed by Yubico.

None of the directors or the members of the executive management have during the last five years (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy (iii) been bound by and/or been subject to sanctions by any regulatory or supervisory authority (including approved professional organizations) or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from exercising a senior or overarching function of any company.

The Company considers that Yubico's board of directors meets the requirements of the Code regarding independence in relation to the Company, the executive management and the Company's major shareholders.

There have been no special arrangements with major shareholders, customers, suppliers or other parties under which any of the members of the board of directors or the executive management have been elected to the board of directors or employed in the executive management. None of the members of the board of directors or the executive management have entered into any agreements with the Company regarding termination benefits.

All members of the board of directors and executive management can be reached at the Company's head office in Stockholm at Gävlegatan 22, SE-113-30 Stockholm, Sweden.

AUDITOR

The registered accounting firm Öhrlings PricewaterhouseCoopers AB (PwC) is Yubico's auditor since 2021.¹⁹ At the annual general meeting on 14 May 2024, it was resolved to re-elect PwC as Yubico's auditor for the period until the end of the annual general meeting in 2025. The auditor in charge is Magnus Svensson Henryson (born 1969), authorized public accountant and member of FAR (the industry organization for accounting). PwC's address is Torsgatan 21, SE-113 97 Stockholm, Sweden.

¹⁹ Includes the period as auditor of the ACQ.

8 SHARES, SHARE CAPITAL AND OWNERSHIP STRUCTURE

GENERAL INFORMATION

Pursuant to the Company's articles of association, the Company's share capital shall be not less than SEK 150,000,000 and not more than SEK 600,000,000 and the number of shares shall be not less than 50,000,000 and not more than 200,000,000. As of the date of this Prospectus, there are a total of 86,265,718 shares in Yubico, all of which are ordinary shares. The share capital amounts to SEK 215,664,295. The shares are denominated in SEK, each with a quota value of SEK 2.50.²⁰

All shares in the Company have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferable in accordance with applicable law. The shares are not subject to an offer following a mandatory bid, redemption right or redemption obligation. No public takeover offer has been made for the Company's shares during the current or preceding financial year.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.

Voting rights

Each share in the Company will carry one vote at general meetings. Each shareholder is entitled to vote for all the shares in the Company held by that shareholder.

Preferential right to new shares

If the Company issues new shares, warrants or convertibles in a cash or set-off issuance, the shareholders have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issuance.

Rights to dividends and surplus in the event of liquidation

All shares in the Company give equal rights to dividends and the Company's assets and surpluses, if any, in the event of liquidation. Any decision on dividend is to be made by the general meeting. All shareholders who are registered as shareholders in the share register kept by Euroclear Sweden on the record date decided by the general meeting are entitled to dividends. The dividends are normally paid to shareholders through Euroclear Sweden as a cash amount per share but may also comprise forms other than cash dividends (distribution in kind). If a shareholder cannot be reached through Euroclear Sweden, the shareholder's claim on the Company in respect of the dividend remains and is subject to a statutory limitation period of ten years. In case of statutory limitation, the dividend amount is forfeited to the Company. There are no restrictions on entitlement to dividends for shareholders who resides outside Sweden. Shareholders with limited tax liability in Sweden are normally subject to Swedish withholding tax on dividends from the Company.

Information regarding takeover offers and redemption of minority shares

Pursuant to the Public Takeovers Act (*Sw. lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), a person who does not hold any shares, or who holds shares representing less than three tenths of the voting rights for all shares in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the "**Target**"), and who through the acquisition of shares in the Target, alone or together with closely related parties, achieves a shareholding representing at least three tenths of the voting rights for all the shares in the Target, immediately disclose the size of their shareholding in the Target and within four weeks thereafter make a public takeover bid for the remaining shares in the Target (mandatory bid). In case of such a mandatory bid, other shareholders have the right to reject the bid.

A shareholder who holds more than 90 percent of the shares in a Swedish limited liability company (the "**Majority Shareholder**") has the right to redeem the remaining shares in such company. The owners of the remaining shares (the "**Minority Shareholders**") have a corresponding right to have their shares redeemed by the Majority Shareholder. The formal procedure for the redemption of the Minority Shareholders' shares is regulated in the Swedish Companies Act.

DIVIDENDS AND DIVIDEND POLICY

The Company has not resolved to pay any dividend to the shareholders for the financial years 2021, 2022 and 2023.

For the foreseeable future, Yubico will primarily use generated cash flow for investing in continued growth, and therefore the Company does not intend to pay out any dividend.

²⁰ As of 30 September 2024, there were a total of 86,114,017 shares in Yubico, all of which were ordinary shares. The share capital amounted to SEK 215,285,042.50. The shares were denominated in SEK, each with a quota value of SEK 2.50.

CENTRAL SECURITIES DEPOSITORY

The Company's shares are registered in a central securities depository (CSD) register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument). This register is managed by Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. No share certificates have been issued for the Company's shares. The ISIN code for the Company's shares is SE0015657788.

SHARE CAPITAL DEVELOPMENT

The below table illustrates historical changes in the Company's share capital since 26 October 2020 up until the date of this Prospectus.

Date ¹⁾	Event ²⁾	Change in share capital, SEK	Change in number of shares	Share capital after the change, SEK	Number of shares after the change	Quota value, SEK	Subscription price, SEK
2020-10-26	Formation	500,000	500,000	500,000	500,000	1	1
2021-01-27	Reverse share split	-	499,999	500,000	1	500,000	-
2021-01-27	Share split	-	199,999	500,000	200,000	2.5	-
2021-03-25	New share issue	87,000,000	34,800,000	87,500,000	35,000,000	2.5	100
2023-09-20	New share issue (merger consideration)	124,492,737.50	49,797,095	211,992,737.50	84,797,095	2.5	.. ³⁾
2023-09-21	Directed new share issue	3,292,305	1,316,922	215,285,042.50	86,114,017	2.5	101
2024-11-26	Exercise of warrants under Yubico's outstanding incentive program	379,252.50	151,701	215,664,295	86,265,718	2.5	-

¹⁾ Refers to the dates the resolutions were registered with the Swedish Companies Registration Office.

²⁾ Events before 20 September 2023 refer to changes in ACQ before the merger with Yubico where ACQ was the acquiring company.

³⁾ The shares were issued as merger consideration. For each 10 Yubico shares, 29 shares in the Company were issued and SEK 2,080 paid in cash consideration.

CONVERTIBLES, WARRANTS, INCENTIVE PROGRAMS ETC.

As of the date of this Prospectus, Yubico has 610,897 outstanding warrants of series 2023/2026 and 762,598 outstanding warrants of series 2024/2027 that have been issued under the existing incentive programs for senior executives, key personnel and other employees in the Group that were resolved upon by the extraordinary general meeting on 19 September 2023 and by the annual general meeting on 14 May 2024, respectively, see the section "*-Share related incentive programs*" below. As a result of the merger with ACQ, there are also 4,200,000 warrants (the "**Sponsor Warrants**") outstanding that were subscribed for by Bure Equity in its previous role as sponsor to ACQ. The Sponsor Warrants may be exercised for subscription of shares in Yubico no earlier than 1 April 2026 and no later than 1 April 2031, in accordance with the terms of the Sponsor Warrants. Each Sponsor Warrant entitles Bure Equity to subscribe for one (1) share in the Company at a subscription price of SEK 130, which, if fully exercised, would mean total subscription proceeds of SEK 546 million. However, under the terms and conditions for the Sponsor Warrants the Company has the right to demand that the number of shares each warrants entitles to is recalculated such that the number of shares only represent the net value of the warrants (so-called net strike), whereby subscription of shares shall be made at the share's quota value instead of the full exercise price. If such a net strike is applied, each Sponsor Warrant will, as a starting point, entitle to a lower number of shares in the Company and the expected dilution resulting from the Sponsor Warrants will be lower than the maximum dilution set out below.

Recalculation with application of the net strike means that the number of shares for which each Sponsor Warrant entitles to subscription shall be the average price of the share during a period of ten banking days prior to the day when the Sponsor Warrant is exercised for subscription, reduced by SEK 130 and divided by the average price of the share during a period of ten banking days prior to the day when the Sponsor Warrant is exercised for subscription, reduced by the quota value of the share. If new shares are subscribed for by exercising all 4,200,000 Sponsor Warrants, the application of the net strike means that the total

dilution would be as per the following illustrative example at the volume-weighted average prices stated in the left-hand column below:

Volume-weighted average price (SEK)	Total number of new shares	Total subscription proceeds (SEK)	Total dilution based on existing number of shares in the Company (%)
150	569,491	1,423,727.50	0.7
200	1,488,607	3,721,517.50	1.7
250	2,036,363	5,090,907.50	2.4
300	2,400,000	6,000,000	2.8
350	2,658,992	6,647,480	3.1

If the Company decides not to opt for net strike, the dilution for existing shareholders may, upon exercise of all warrants, amount to a maximum of approximately 4.9 percent, based on the existing number of shares in the Company.

Other than these warrants, the Company has, as of the date of this Prospectus, no outstanding convertible bonds, warrants or other share related securities that would, if exercised, have a dilutive effect on the shareholders of the Company. For further information on share related incentive programs, see the section "*-Share related incentive programs*" below.

Share related incentive programs

LTI 2023

The extraordinary general meeting on 19 September 2023 resolved in accordance with the board of directors' proposal to implement a long-term incentive program that runs until December 2026 ("**LTI 2023**"). LTI 2023 is based on performance stock units ("**PSUs**") and includes up to approximately 440 senior executives, key personnel and other employees within the Group.

The maximum number of PSUs that could be granted amounted to 700,000. Each vested PSU entitles the holder to receive one share in the Company. PSUs are vested yearly during a three-year period. Vesting of PSUs is subject to both a performance condition and continued employment. The performance condition is based on that the total shareholder return ("**TSR**") of the Company's shares reaching certain levels, during certain specified vesting periods corresponding to approximately one year, or as an average over the entire term of LTI 2023. If the annual TSR during a vesting period corresponds to an increase of less than nine percent, no PSUs subject to vesting during such vesting period will vest. If the annual TSR during a vesting period corresponds to an increase of 9 percent but is less than 15 percent, the PSUs subject to vesting during such vesting period will vest linearly between 20 percent and 100 percent (starting at 9 percent and ending at 15 percent). If the annual TSR over a vesting period equals or exceeds 15 percent of the volume-weighted average share price over a vesting period, 100 percent of the PSUs subject to vesting over such vesting period will vest. Participants in LTI 2023 are granted PSUs free of charge and no consideration is paid in connection with the payment of shares in the event of fulfillment of the performance conditions after the end of a vesting period.

According to the Remuneration Rules (Rules on Remuneration of the Board and Executive Management and on Incentive Programmes) that are administered by the Stock Market Self-Regulation Committee (Sw. *Aktiemarknadens självregleringskommitté*) it should be specified and motivated why the vesting period or period from the commencement of the agreement until a share may be acquired is less than three years. PSUs of Series 1 in LTI 2023, which are held by participants who reside or are otherwise subject to tax laws in the U.S. and Canada, may entitle to pay-out of shares under certain conditions already after approximately one year. The reason for having a shorter vesting period and a shorter period than three years until pay-out of shares for these participants is to ensure that the Company has a competitive offer as an employer in the U.S. and Canada and to meet the requirements of international tech talent which is instrumental for the Company's future success and development.

To secure the delivery of shares pursuant to LTI 2023 and to cover any costs (including taxes and social security costs), the extraordinary general meeting resolved, deviating from the shareholders' preferential rights, to issue a maximum of 762,598 warrants of series 2023/2026, entitling to subscription of new shares in the Company. Of these, 151,701 warrants have been exercised for the delivery of 151,701 shares to some of the participants for the initial vesting period.

The maximum dilution of the remaining warrants due to LTI 2023 is 0.6 percent (0.7 percent including warrants issued to cover any costs) of the current total number of outstanding shares in the Company upon full vesting and full exercise of warrants under LTI 2023.

LTI 2024

The annual general meeting on 14 May 2024 resolved in accordance with the board of directors' proposal, to implement a long-term incentive program that runs until August 2027 ("**LTI 2024**"). LTI 2024 is based on PSUs and includes up to approximately 480 senior executives, key personnel and other employees within the Group.

The maximum number of PSUs that could be granted amounted to 700,000. Each vested PSU entitles the holder to receive one share in the Company. PSUs are vested yearly during a three-year period. Vesting of PSUs is subject to both two performance conditions and continued employment. The performance conditions include fulfilment of two financial performance conditions relating to the Company's revenue growth and EBIT margin during performance periods corresponding to each of the financial years 2024, 2025 and 2026. Participants in LTI 2024 are granted PSUs free of charge and no consideration is paid in connection with the payment of shares in the event of fulfillment of the performance conditions after the end of a vesting period.

According to the Remuneration Rules (Rules on Remuneration of the Board and Executive Management and on Incentive Programmes) that are administered by the Stock Market Self-Regulation Committee should be specified and motivated why the vesting period or period from the commencement of the agreement until a share may be acquired is less than three years. PSUs of Series 1 in LTI 2024, which are held by participants who reside or are otherwise subject to tax laws in the U.S. and Canada, may entitle to pay-out of shares under certain conditions already after approximately one year. The reason for having a shorter vesting period and a shorter period than three years until pay-out of shares for these participants is the same as for LTI 2023.

To secure the delivery of shares pursuant to LTI 2024 and to cover any costs (including taxes and social security costs), the annual general meeting resolved, deviating from the shareholders' preferential rights, to issue a maximum of 762,598 warrants of series 2024/2027, entitling to subscription of new shares in the Company.

The maximum dilution due to LTI 2024 is 0.8 percent (0.9 percent including warrants issued to cover any costs) of the current total number of outstanding shares in the Company upon full vesting and full exercise of warrants under LTI 2024.

Other than LTI 2023 and LTI 2024, there are no outstanding share related incentive programs in Yubico.

AUTHORIZATION

The annual general meeting on 14 May 2024 resolved that the board of directors shall be authorized to resolve to issue new shares in the Company on one or several occasions for the period up to the next annual general meeting, to the extent that such new issue can be made without amending the articles of association. An issue may be made with or without deviation from the shareholders' preferential rights. Based on the authorization, the board of directors may resolve to issue a number of new shares corresponding to a maximum of ten percent of the total number of outstanding shares in the Company at the time of the annual general meeting.

The board of directors shall be authorized to resolve on issue where payment is made in cash, by contribution in kind or by way of set-off. A cash issue or issue by way of set-off that takes place with deviation from the shareholders' preferential rights shall be in line with market terms. The purpose of the authorization and the reasons for any deviation from the shareholders' preferential rights are to be able to use the Company's share as means of payment in connection with potential acquisitions, or to use the issue of shares to finance potential acquisitions, or enable other investments to meet the Company's strategic goals.

OWNERSHIP STRUCTURE

As of 15 November 2024, Yubico had 20,342 shareholders. The table below sets out the ten largest shareholders in Yubico, including those shareholders who, to the Company's knowledge, directly or indirectly, have a holding corresponding to five percent or more of the number of shares or votes in Yubico. The information below is based on ownership data as of 15 November 2024 and includes changes known to the Company thereafter up to the date of the Prospectus. As far as the Company is aware, Yubico is not directly or indirectly controlled by any single shareholder or group of shareholders.

	Shareholder	Number of shares and votes	Percentage of shares and votes (%)
1.	Bure Equity	15,041,943 ¹⁾	17.44 ¹⁾
2.	AMF Pension & Fonder	10,471,156	12.14
3.	Stina Ehrensward with closely related parties	9,310,904	10.79
4.	Swedbank Robur Fonder	4,455,789	5.17
5.	Fjärde AP-fonden	3,698,020	4.29
6.	Ramanujam Shriram and closely related parties	3,245,487	3.76
7.	Handelsbanken Fonder	2,142,931	2.48
8.	Johan Hernmarck through company	2,128,356	2.47
9.	SEB Investment Management	2,064,420	2.40
10.	Meritech Capital Partners	1,948,827	2.26
	Total ten largest shareholders²⁾	54,507,833	63.19
	Other shareholders	31,757,885	36.81
	Total other³⁾ board members and senior executives	3,446,698	4.00
	Total	86,265,718	100.00

Source: Modular Finance

1) In addition, Bure Equity holds 4,200,000 sponsor warrants (see further under "-Convertibles, warrants, incentive programs etc." above).

2) A16z, previously Yubico's fourth largest shareholder, has informed Yubico that it distributed its holding to its limited partners earlier in 2024.

3) The shares held by Stina Ehrensward (and closely related parties) and Ramanujam Shriram (and closely related parties) are presented above under "Total ten largest shareholders" and thus not included.

SHAREHOLDERS' AGREEMENTS

To the board of directors of Yubico's knowledge, there are no shareholders' agreements or other agreements between Yubico's shareholders that are intended to exercise joint control over the Company. Nor, is the board of directors aware of, any agreements or similar arrangements that could lead to a change in control over the Company.

9 LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

INFORMATION ABOUT THE PROSPECTUS

The Swedish Prospectus has been approved by the SFSA, as competent authority under the Prospectus Regulation (EU) 2017/1129. The SFSA approves the Swedish Prospectus only to the extent that it fulfils the requirements of completeness, comprehensibility and consistency set out in the Prospectus Regulation (EU) 2017/1129. This approval should not be considered as an endorsement of Yubico, nor the quality of the securities, referred to in this Prospectus. The Prospectus has been prepared as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation (EU) 2017/1129. Investors should make their own judgement as to the suitability of investing in these securities.

The admission to trading of the shares in Yubico on Nasdaq Stockholm and this Prospectus is governed by Swedish law. The courts of Sweden have the exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with this Prospectus.

The Swedish Prospectus was approved by the SFSA on 3 December 2024. The Prospectus is valid for a period of twelve months following the date of approval, provided that Yubico complies with the obligation, in accordance with the Prospectus Regulation, to provide supplements to the Prospectus in the event of new factors, mistakes or material inaccuracies, which may affect the assessment of the shares in the Company. The obligation to prepare a supplement to the Prospectus applies from the time of approval until the Company's shares have been admitted to trading on Nasdaq Stockholm. Thereafter, the Company has no obligation to prepare a supplement to the Prospectus.

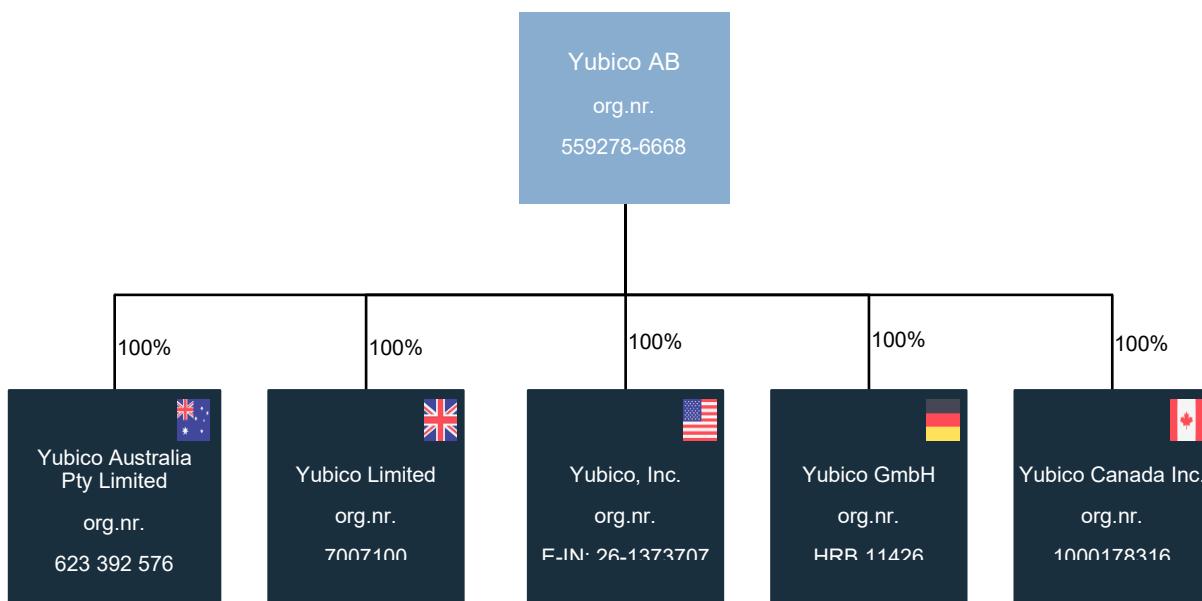
COMPANY INFORMATION AND LEGAL STRUCTURE

General company information

Yubico AB, reg. No. 559278-6668, is a Swedish public limited liability company. On 20 September 2023, Yubico and ACQ, a so called *Special Purpose Acquisition Company* (SPAC) whose shares were previously traded on Nasdaq Stockholm, merged. ACQ was the acquiring company and absorbed Yubico through the merger. In connection with the merger, the Company's shares began trading on First North and ACQ changed its name to Yubico AB. Yubico was originally founded in 2007, but the current legal entity was formed in Sweden on 12 October 2020 and registered with the Swedish Companies Registration Office on 26 October 2020. The Company's registered office is in Stockholm. The Company's operations are conducted in accordance with the Swedish Companies Act. The Company's current company name, Yubico AB, was registered with the Swedish Companies Registration Office on 20 September 2023. According to the articles of association, the purpose of the Company's operations is to conduct cyber security and to provide security products and services linked to authentication and other business activities associated therewith. The Company will apply the Code after the listing on Nasdaq Stockholm and does not intend to deviate from any provision of the Code. The Company's LEI code is 54930019RBIU9DW59H39. The Company's registered postal address is Gävlegatan 22, SE-113-30 Stockholm, Sweden and the Company's phone number is +46 8 411 30 00. The Company's website is www.yubico.com.

Group structure

As of 30 September 2024, the Group consisted of six limited liability companies (including the parent company). Below is an organization chart illustrating all subsidiaries within the Group. All these companies are directly wholly-owned by Yubico AB.



MATERIAL AGREEMENTS

Yubico's products are sold both directly to end-customers and via distributors/resellers, either through YubiKey as a Service or on a perpetual basis. A majority of Yubico's largest customers are located in the U.S. and have entered into direct sales agreements with Yubico Inc. Yubico's end-customers outside of the U.S. are primarily solicited through distributors/resellers. Both the direct agreements and the distribution agreements are typically entered into on indefinite terms or during a three-year period with automatic renewals, subject to termination notice periods normally varying between one to three months. Yubico generally provides twelve-month warranties for each product delivered under the agreements in the case of sales through the perpetual model, and during the subscription period in the case of sales through YubiKey as a Service.

In the last two years, Yubico has not entered into any material agreement outside the normal course of business.

INTELLECTUAL PROPERTY RIGHTS

Yubico has a global portfolio of registered patents, trademarks and design rights, including in the U.S. and Europe. Yubico obtains services from an IPR consultancy firm and a dedicated service provider for assistance with the maintenance of its trademark and patent portfolios. Other than the registered IPR, the software components (firmware) in Yubico's products, and the associated copyright thereto, are material assets to Yubico. Certain other software is also developed and maintained by Yubico, for example in order to provide supplementary services to its customers. Yubico considers its brands and reputation in the market, in particular its trademarks YUBICO and YUBIKEY, as well as its product designs, to be the most important IPR held by Yubico. Yubico's trademarks are registered in several jurisdictions globally, including in the EU and the U.S. The Group's patents include (i) a "device and method for identification and authentication", (ii) a "dual interface device for access control and a method therefor", (iii) a "USB-C plug", (iv) a "portable security device with dual interfaces" (v) "activation for near-field communication device", (vi) "USB-C plug with surface mount contact points", (vii) a "method for activation of an access to a computer system or to a program", (viii) a "bezel for attaching sensor to a printed circuit board in a security key", and (ix) a "portable two-factor authentication device". Some of the patents include patented designs. Since the Company's largest market is the Americas, the U.S. is also Yubico's key market for patent registration. Many of Yubico's inventions which are patent registered in the U.S. are also registered in other jurisdictions such as Sweden and Germany.

INSURANCES

Yubico is covered by several insurances associated with its business, including general and product liability, crime, cyber safety, fire safety and business travels. Certain group companies are also covered by a general business insurance, employer's insurance, and board of directors and executive management liability insurance. Yubico uses a professional broker for assistance with its group wide insurance coverage and considers its insurance coverage to be adequate and in line with market practice.

LEGAL PROCEEDINGS AND OTHER DISPUTES

Yubico is not, and has not been, party to any governmental proceedings, legal proceedings or arbitration (including any such proceedings that have not yet been settled or which, according to Yubico's knowledge, are threatened to be initiated) during the past twelve months that may have, or have had in the recent past, significant effects on Yubico and/or its financial position or profitability.

Yubico is, from time to time, party to various claims and legal proceedings arising in the ordinary course of business. Third parties have historically asserted, and may in the future assert, that Yubico's products, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Yubico has also initiated proceedings to invalidate third party trademark applications on the basis of confusing similarity with Yubico's registered trademarks.

FOREIGN DIRECT INVESTMENTS

Yubico has made the assessment that the Company is currently conducting activities worthy of protection under the Foreign Direct Investment Review Act (2023:560) (Sw. lag (2023:560) om granskning av utländska direktinvesteringar), meaning that certain investments in the Company require notification to and review by the Swedish Inspectorate for Strategic Products. Investors should consider the requirements for such notification and review in connection with any investments in the Company's shares.

REGULATORY DISCLOSURES

Below is a summary of the information that the Company has published during the last twelve-month period in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), and which, in the Company's opinion, is still relevant as of the date of the Prospectus.

Disclosed financial statements

- Year-end report for the period 1 January – 31 December 2023 published on 16 February 2024.
- Interim report for the period 1 January – 31 March 2024 published on 14 May 2024.
- Interim report for the period 1 January – 30 June 2024 published on 15 August 2024.
- Interim report for the period 1 January – 30 September 2024 published on 13 November 2024.

RELATED PARTY TRANSACTIONS

During the period 1 January – 30 September 2024, Yubico has entered into a consulting agreement with Bild & Runsten AB ("**Bild & Runsten**"), which is a closely related company to Yubico's board member Eola Ånggård Runsten. Transactions resulting from the agreement amounted to SEK 180,000 excluding VAT during the period and additional amounts of SEK 110,000 excluding VAT were invoiced after the aforementioned period. Under the agreement, Bild & Runsten provides financial training in business accounting, financial analysis, and investment appraisal to senior executives of Yubico. The person providing the consultancy services is closely related to board member Eola Ånggård Runsten. The agreement expired on 10 October 2024.

In 2023, Yubico donated USD 11,400 to the organization Solvatten, where CEO Mattias Danielsson is on the board of directors since spring 2023.

During 2022, Yubico had transactions with a company owned by CEO, Mattias Danielsson, amounting to SEK 2,558,000. The transactions were related to services from a temporary senior resource in finance and accounting. The person who has delivered the services through the same company is also married to and thereby closely related to Henrik Lejdeborn, the General Counsel of Yubico. All transactions have been made on market terms. See also note 20 in the section "*Historical financial information*" below.

Other than above, Yubico has not been party to any related party transactions during the financial years 2022 or 2023, during the period 1 January – 30 September 2024 or during 2024 up to and including the date of this Prospectus.

SIGNIFICANT CONFLICTS OF INTEREST

The Company assesses that there are no significant conflicts of interest regarding the Company's admission to trading of the Company's shares on Nasdaq Stockholm.

COSTS FOR ADMISSION TO TRADING

The costs related to the admission to trading of the Company's shares on Nasdaq Stockholm are estimated to amount to approximately SEK 10 million. Such costs are primarily attributable to costs for auditors, advisors as well as listing costs to Nasdaq Stockholm and the SFSA.

TAX IMPLICATIONS FOR INVESTORS

Investors are advised that the tax laws of Sweden or of a state with which the investor is connected or in which the investor is resident for tax purposes may affect the taxation of income from the securities. Each shareholder should seek individual advice to ascertain the tax consequences that may arise based on the shareholder's specific situation, including the applicability and effect of foreign rules and treaties.

REFERENCES TO WEBSITES

Information available on Yubico's website, or other websites referred to in the Prospectus, does not form part of the Prospectus and has not been reviewed or approved by the SFSA unless such information has been expressly incorporated into the Prospectus by reference.

DOCUMENTS INCORPORATED BY REFERENCE

Those parts of the documents listed below which are incorporated into the Prospectus by reference are parts of this Prospectus. The information set out below as part of the following documents shall be deemed to be incorporated in the Prospectus by reference. The parts of the document that are not incorporated are deemed by the Company to be either not relevant for investors or the corresponding information is reproduced elsewhere in the Prospectus.

The following accounts are incorporated to the Prospectus by reference:

- Yubico's reviewed interim report for the period 1 January – 30 September 2024, including comparative figures for the corresponding period in 2023, where reference is made to Yubico's condensed consolidated statement of profit or loss on page 11, Yubico's condensed consolidated statement of financial position on page 12, Yubico's condensed consolidated statement of changes in equity on page 13, Yubico's condensed consolidated statement

of cash flows on page 13, Additional information on page 18-21, Condensed notes to the financial statements on page 16-17, and Auditor's report on page 10.

DOCUMENTS MADE AVAILABLE FOR INSPECTION

The Company's (i) articles of association and certificate of registration, (ii) interim reports for the period 1 January – 30 September 2024, and (iii) this Prospectus are available for inspection during office hours at the Company's head office at Gävlegatan 22, SE-113 30 Stockholm, Sweden, during the validity of the Prospectus. These documents are also available in electronic form on the Company's website, investors.yubico.com.

10 DEFINITIONS

ACQ	ACQ Bure AB, now Yubico AB
Bild & Runsten	Bild & Runsten AB, reg. no. 556647-9597
The Company, Yubico or the Group	Yubico AB, reg. no 559278-6668, the group in which Yubico AB is the parent company or Yubico AB's subsidiaries, depending on the context. In certain historical contexts, the former Yubico AB, reg. no. 556720-8755, which was merged with the Company in September 2023, is also included.
Bure Equity	Bure Equity AB, reg. no. 556454-8781
CSRD	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting
ESG	Environmental, social, and governance
EU	European Union
EUR	Euro
FIDO Alliance	Fast Identity Online Alliance. FIDO Alliance is an open industry association launched 2013 whose mission is to develop and promote authentication standards that help reduce the world's reliance on passwords
FIDO	Fast Identity Online. FIDO is a set of technology-agnostic security specifications for strong authentication. FIDO is developed by the FIDO Alliance
FIPS	Federal Information Processing Standard. The Federal Information Processing Standard Publication 140-2 is a U.S. government computer security standard used to approve cryptographic modules. It is published by the U.S. National Institute of Standards and Technologies and is a security standard recognized by the U.S. and Canadian governments, as well as the EU
First North	The multilateral trading facility Nasdaq First North Growth Market
R&D	Research and development
HSM	Hardware Security Module. An HSM is a hardware security module that delivers enhanced protection for cryptographic keys, securing modern infrastructures. It can securely generate, store and manage digital keys
GDPR	The General Data Protection Regulation 2016/679/EU of the European Parliament and of the Council
IAM	Identity and Access Management. A framework of policies and technologies for ensuring that the proper people in an enterprise have the appropriate access to the right technology resources, based on their roles and privileges in the organization
IFRS	International Financial Reporting Standards as adopted by the EU
IT	Information Technology. The use of computers to create, process, store, retrieve and exchange data and information
Code	Swedish Corporate Governance Code

LTI 2023	Yubico's long-term incentive program for 2023
LTI 2024	Yubico's long-term incentive program for 2024
MFA	Multi-Factor Authentication. An authentication method in which a computer user is granted access only after successfully presenting two or more pieces of evidence, or factors, to an authentication mechanism
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments
Nasdaq Stockholm	Nasdaq Stockholm Aktiebolag, reg. no 556420-8394 or the regulated market Nasdaq Stockholm, depending on the context
NIST	National Institute of Standards and Technology. An agency of the United States Department of Commerce whose mission is to promote American innovation and industrial competitiveness
OTP	One-Time Password. A code that is valid for only one login session or transaction. An OTP is typically sent via a text message to a mobile phone, and they are frequently used as part of two-factor authentication
PIV	Personal Identity Verification. The PIV standard uses certificates for authentication and digital signatures. It is used, by, <i>inter alia</i> , the U.S. federal authorities to provide access to federally controlled facilities and information systems at an appropriate security level
Prospectus	This prospectus
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council
PSU	Performance stock unit
PwC	The registered accounting firm Öhrlings PricewaterhouseCoopers AB, reg. no 556029-6740
SDG	Sustainable Development Goals. The United Nations Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. The goals address the global challenges, including poverty, inequality, climate change, environmental degradation, peace and justice
SDK	Software Development Kit. SDK brings together a group of tools that enable the programming of mobile applications
SEK	Swedish krona, the lawful currency of Sweden. SEK million refers to millions of Swedish kronor
Sponsorship options	Sponsor options in the Company held by Bure Equity, which were subscribed in connection with Bure Equity's previous role as sponsor to ACQ
Swedish Prospectus	The Swedish version of the Prospectus approved by the SFSA on 3 December 2024.
TSR	Total shareholder return on the Company's shares
USD	US dollar
U.S. Securities Act	The United States Securities Act of 1933, as amended
WebAuthn	WebAuthn is a global standard for secure authentication on the Web supported by all leading browsers and platforms

YubiKey as a Service	Refers to Yubico's subscription-based sales model
Annual Accounts Act	Årsredovisningslagen (1995:1554)
Swedish Companies Act	Aktiebolagslagen (2005:551)

11 HISTORICAL FINANCIAL INFORMATION

YUBICO'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

Consolidated income statement	F-2
Consolidated statement of comprehensive income	F-2
Consolidated balance sheet	F-3
Consolidated statement of changes in equity	F-5
Consolidated statement of cash flow	F-7
Notes	F-8
Auditor's report on historical financial information for the financial years 2023 and 2022	F-40

CONSOLIDATED INCOME STATEMENT

<i>MSEK (unless otherwise stated)</i>	Note	2023	2022
Net sales	3	1,827.3	1,551.2
Cost of sales	5	-368.7	-354.0
Gross profit/loss		1,458.6	1,197.2
Research and development	5,6	-274.1	-235.0
Selling expenses	5,6	-649.4	-545.0
Administrative expenses	5,6	-268.8	-234.3
Transaction related expenses	5,6,23	-87.2	0.0
Other income and expenses	4	47.8	71.2
Other operating expenses	4	-47.8	-50.7
Operating profit/loss (EBIT)	5,6,7	179.1	203.4
Financial income	8	12.4	7.2
Financial expenses	8	11.3	-4.8
Net financial items		1.1	2.4
Profit/loss before tax		180.2	205.9
Income tax	9	-49.6	38.6
Profit/loss for the year		130.6	244.5
Earnings per share before dilution, (SEK)		2.19	4.95
Earnings per share after dilution, (SEK)		2.19	4.79
Weighted average number of shares, before dilution, million	26	59.7	49.4
Weighted average number of shares, after dilution, million	26	59.7	51.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>MSEK (unless otherwise stated)</i>	2023	2022
Profit/loss for the year	130.6	244.5
Comprehensive income		
<i>Items that may be reclassified to profit/loss</i>		
<i>Translation differences at translation of foreign entities</i>	-2.5	8.6
	-2.5	8.6
Net profit/loss for the year	128.1	253.1

Profit/loss for the year, comprehensive income and equity are attributable in their entirety to the owners of the parent company. There are no non-controlling interests.

CONSOLIDATED BALANCE SHEET

<i>MSEK (unless otherwise stated)</i>	Note	2023-12-31	2022-12-31	2022-01-01
Assets				
Non-current assets				
Intangible assets	10	7.2	10.2	13.2
Property, plant and equipment	11	63.1	83.2	83.0
Non-current receivables		6.1	6.5	1.7
Deferred tax assets	9	61.2	53.2	6.1
Total non-current assets		137.6	153.0	103.9
Current assets				
Inventories	13	501.0	168.3	208.4
Accounts receivables	14	191.9	408.6	133.0
Current tax asset	9	1.0	5.2	4.5
Other receivables		49.2	101.5	54.7
Prepaid expenses and accrued income	15	52.8	43.2	29.0
Cash and bank	17	547.3	283.5	264.5
Total current assets		1,343.2	1,010.3	694.1
TOTAL ASSETS		1,480.7	1,163.3	798.0

CONSOLIDATED BALANCE SHEET (CONT.)

<i>MSEK (unless otherwise stated)</i>	Note	2023-12-31	2022-12-31	2022-01-01
Equity				
Share capital		215.3	0.4	0.4
Conversion reserve		6.1	8.6	0.0
Other contributed capital		823.0	799.2	792.9
Retained earnings incl. net profit for the year		78.5	-82.4	-357.5
Total Equity		1,122.8	725.8	435.7
Liabilities				
Non-current liabilities				
	17			
Non-current interest-bearing liabilities	17	26.0	39.0	52.0
Non-current liabilities right-of-use assets	12,17	18.7	34.7	46.4
Deferred tax liabilities	9	2.6	3.8	2.9
Total non-current liabilities		47.3	77.5	101.3
Current liabilities				
Current interest-bearing liabilities	17	13.0	13.0	13.0
Current liabilities right-of-use assets	12,17	16.3	16.9	15.7
Advance payments from customers	2	7.9	19.1	25.6
Accounts payable		66.7	85.7	40.1
Current tax liability	9	22.9	1.2	0.0
Other liabilities	17	42.2	27.4	34.4
Accrued expenses and deferred income	16	141.6	196.8	132.2
Total current liabilities		310.6	360.1	261.0
Total liabilities		357.9	437.6	362.2
TOTAL EQUITY AND LIABILITIES		1,480.7	1,163.3	798.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2023

	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net profit for the year	Total equity
<i>MSEK (unless otherwise stated)</i>					
Opening balance 1 January 2023 (based on the equity of the former Yubico group and the registered share capital of Yubico AB)	0.4	799.2	8.6	-82.4	725.8
Net profit/loss for the year	-	-	-	130.6	130.6
Other total net profit/loss					
Translation difference	-	-	-2.5	-	-2.5
Total net profit/loss for the year	-	-	-2.5	-	-
Transactions with owners					
New share issue	0.0	9.7	-	-	-
New share issue in progress	0.0	0.0	-	-	-
Employee stock options – value of employees' services					
Earnings	-	-	-	30.3	30.3
Merger related transactions					
New share issues	127.8	5.2	-	-	133.0
Transfer between other paid-in capital and share capital to reflect the share capital of the legal parent at the merger date	87.1	-87.1	-	-	-
Exercise of stock options and warrants	-	430.4	-	-	430.4
Market value of ACQ in merger ¹⁾	-	3,468.5	-	-	3,468.5
Consideration to Yubico shareholders ¹⁾	-	-3,802.9	-	-	-3,802.9
Total merger related transactions	214.9	14.1	-	-	229.0
Total transactions with owners	214.9	23.8	-	30.3	269.0
Closing equity as of 31 December 2023	215.3	822.9	6.1	78.4	1,122.8

1) Related to the merger between Yubico and ACQ, for further information see note 23.

Number of shares at the beginning of the period	49,401,538
New share issue	36,712,479
Number of shares at the end of the period	86,114,017
Quotient value, SEK	2.50

All shares are ordinary shares.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT.)

2022

	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net profit for the year	Total equity
<i>MSEK (unless otherwise stated)</i>					
Opening balance 1 January 2022 (based on the equity of the former Yubico group and the registered share capital of Yubico AB)	0.4	792.9		-357.5	435.7
Net profit/loss for the year	-	-	-	244.5	244.5
Other total net profit/loss					
Translation difference	-	-	8.6	-	8.6
Total net profit/loss for the year	-	-	8.6	-	8.6
Transactions with owners					
New share issue	-	2.4	-	-	2.4
New share issue in progress	-	3.8	-	-	3.8
Employee stock options – value of employees' services					
Earnings	-	-	-	30.6	30.6
Total transactions with owners	-	6.3	-	30.6	30.6
Closing equity as of 31 December 2022	0.4	799.2	8.6	-82.4	725.8

Number of shares at the beginning of the period	49,342,568
New share issue	58,970
Number of shares at the end of the period	49,401,538
Quotient value, SEK	2.50

All shares are ordinary shares.

CONSOLIDATED STATEMENT OF CASH FLOW

<i>MSEK (unless otherwise stated)</i>	Not	2023	2022
Operating activities			
Profit/loss before tax		180.2	205.9
Other items not affecting cash flow	19	94.7	30.4
Income tax paid		-21.0	-11.0
Cash flow from operating activities before working capital changes		254.0	225.3
Changes in working capital			
Changes in inventories		-335.7	61.8
Changes in account receivables		204.8	-260.5
Changes in other current receivables		97.8	-56.9
Changes in accounts payable		-25.3	43.7
Changes in other current liabilities		-81.5	29.9
Total changes in working capital		-139.9	-182.0
Cash flow from operating activities		114.1	43.3
Investing activities			
Investments in intangible assets		-0.2	-0.4
Investments in property, plant and equipment		-12.9	-18.3
Acquisition of subsidiaries/businesses, net cash effect	23	3,423.5	0.0
Divestments in property, plant and equipment, and intangible assets		0.0	0.4
Other items		0.2	-0.4
Cash flow from investing activities		3,410.6	-18.8
Financing activities			
Stock options exercised		430.4	0.0
New share issue		142.7	6.3
Repayment of loans		-29.5	-23.6
Dividends paid to the former Yubico's shareholders	23	-3,802.9	0.0
Cash flow from financing activities		-3,259.3	-17.3
Cash flow for the year		265.4	7.2
Cash			
At the beginning of the year		283.5	264.5
Cash flow for the period		265.4	7.2
Exchange difference in cash and cash equivalents		-1.6	11.7
Cash and cash equivalents at the end of the year		547.3	283.5

NOTE 1 – GENERAL INFORMATION AND BASIS FOR ESTABLISHMENT

These consolidated financial statements for the financial years 2023 and 2022 have been prepared in accordance with the Prospectus, which in concert do not constitute an annual report according to Annual Accounts Act. The Group comprises the Swedish parent company Yubico AB ("Yubico"), with reg. no. 559278-6668, and its subsidiaries. Yubico is a global cybersecurity company whose mission is to make the internet safer for everyone. Its business consists of cybersecurity solutions and providing security products and services related to authentication and other related business activities. The address of the Stockholm head office is Gävlegatan 22, SE-113 30 Stockholm, Sweden.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). Furthermore, the Group has applied RFR 1 "Supplementary Accounting Rules for Groups" issued by the Swedish Sustainability and Financial Reporting Board.

Unless otherwise stated, the accounting principles set out in note 2 have been applied consistently to all periods presented. These financial statements are Yubico's first complete financial statements prepared in accordance with IFRS. The transition to IFRS has been accounted for in accordance with IFRS 1. In connection with the transition to IFRS, the Group has also changed the presentation of the income statement from a cost-type to a function-type income statement. The transition to IFRS and the change in the presentation of the income statement are described in more detail in Note 24.

New or amended standards requiring future application have not been early adopted. IFRS 18 Presentation and Disclosure in Financial Statements has been adopted by the IASB for application from 1 January 2027. IFRS 18 replaces the current IAS 1 Presentation of Financial Statements. The new standard is preliminarily expected to have a limited impact on the Group's presentation of income statements, balance sheets and cash flow statements. IFRS 18 sets new requirements for disclosures in notes, which also include performance-based key figures. Other new and amended standards published by the IASB are not expected to have any material impact on the Group's financial statements.

The financial statements are presented in Swedish kronor (SEK), which is the functional currency of the parent company. All amounts are presented in millions of SEK unless otherwise stated. Rounding differences may occur.

These financial statements were adopted by the Company's board of directors on 3 December 2024.

NOTE 2 – THE GROUP'S ACCOUNTING PRINCIPLES

CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which Yubico has a controlling influence. In the Group, all subsidiaries are 100 percent controlled by the parent company Yubico AB.

Translation of foreign subsidiaries

Assets and liabilities in foreign operations are translated from the functional currency of the foreign operation to the Group's reporting currency, Swedish kronor, at the closing rate. Income and expenses in a foreign operation are translated into Swedish kronor at an average rate that is an approximation of the exchange rates prevailing at the respective transaction date. Translation differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in the translation reserve in equity.

Revenue from contracts with customers

The Group generates revenue primarily through the sale of YubiKeys, a security key for multi-factor authentication (MFA) that ensures that only authorized users have access to sensitive accounts and systems. YubiKeys are sold to the customer and consist of the exclusive ownership of the hardware and the integrated software downloaded to the key. The software component constitutes a perpetual license with the right to use Yubico's intellectual property rights as they are provided on the date of the agreement, without the right to upgrade. The integration of the key and the software together constitute the security protection. The key, consisting of the hardware and the right to use the license, constitutes a single, bundled and distinct performance obligation. The performance obligation is fulfilled at the time of delivery and revenue is recognized at that time. Implementation support is not included in the promise to transfer keys and deployment does not need to be performed by Yubico. The Customer may deploy itself or engage an external third party for deployment services. Customer may choose to order commissioning support from Yubico and pay for this service at market rate per hour. Commissioning service performed by Yubico, if any, is considered a separate performance obligation that is recognized as revenue over time based on hours worked.

Yubico also provides a security solution as a service where Yubico takes greater overall responsibility for the functionality of the security solution and retains ownership of the hardware. The service includes access to replacement keys and upgrades within an agreed number of YubiKeys and guaranteed functionality in line with the agreed specification during the contract period. The

upgrade rights give the customer access to Yubico's intellectual property, developed by Yubico over time. Upgrades are transferred to the customer through the delivery of replacement keys. The service agreements normally run for three years with an option to extend for a further three-year period for the customer, which is normally exercised. The extension option is not considered a separate performance obligation. The subscription services are invoiced and paid annually in advance. The executive management assesses that Yubico has a single packaged performance obligation during the subscription period. The security solution is consumed by the customer through continuous access to the security service, including access to Yubico's intellectual property through the license and use of the hardware during the contract period. Accordingly, the revenue is recognized on a straight-line basis over the contract period. The deployment service is included in the subscription price up to 5 percent of the contract value but not exceeding USD 75,000 per contract, to be utilized within six months from the start of the contract. For reasons of materiality, the commissioning service is not recognized as a separate performance obligation in subscription contracts.

Freight is charged separately and is a separate performance obligation in addition to transferring control of the key to the customer. Shipping revenue is recognized at the time of delivery for both license and subscription contracts.

EMPLOYEE BENEFITS

Defined contribution pension plans

The Group's employees are entitled to pension benefits from defined contribution pension plans. The Group's obligations in respect of contributions to defined contribution plans are recognized as an expense in the income statement as they are earned as the employees render services to the Group during the period. There are no defined benefit pension plans within the Group.

Share-based payments

Yubico has two long-term incentive programs based on performance stock units ("PSUs") for senior executives, key personnel and other employees of the Group. Prior to the merger with ACQ in September 2023, Yubico also had an incentive program for employees in the U.S. comprising of stock options.

The cost of these equity-settled transactions is the fair value at the date of the agreement. The cost of share-based payments is recognized in the income statement as a personnel expense with a corresponding increase in equity. In the period in which the services are rendered, a provision is made for estimated social security contributions based on the fair value of the PSUs at the balance date.

Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the parent company by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by dividing profit or loss for the period attributable to equity holders of the parent, adjusted where appropriate, by the sum of the weighted average number of ordinary shares and dilutive potential ordinary shares. Dilution from potential ordinary shares is recognized only if conversion into ordinary shares would result in a decrease in diluted earnings per share or an increase in diluted loss per share.

INTANGIBLE ASSETS

Internally generated intangible assets

The Group's development projects are divided into several phases: research phase, development phase, launch phase, operational phase and significant improvements. Expenditure in the research phase is expensed as incurred and never capitalized thereafter. Expenditure incurred in the development phase is capitalized as an intangible asset when, in the opinion of the executive management, it is probable that it will result in future economic benefits to the Group, all the criteria for capitalization have been met and the costs can be measured reliably. Expenditure incurred in the other phases is expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful life of the asset.

For the financial years 2022 and 2023, no development projects have been deemed to meet the recognition criteria for capitalization and no development projects have been classified as intangible assets.

Other intangible assets

Other intangible assets include patents, trademarks and business systems. Other intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses. Amortization is provided on a straight-line basis over the estimated useful life of the asset. Patents are amortized over 6-20 years, trademarks over 10 years and business systems over 5 years.

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The acquisition cost includes, in addition to the purchase price, costs directly related to the acquisition. Depreciation is provided on a straight-line basis over the estimated useful life of the asset. The estimated useful life of equipment, tools and installations is five years.

LEASE AGREEMENTS

Right-of-use asset

The Group recognizes right-of-use assets in the statement of financial position at the commencement date of the lease, i.e. the date on which the underlying asset is made available for use. Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses and adjusted for any revaluation of the lease liability such as indexation. The cost of right-of-use assets includes the initial amount recognized for the related lease liability, initial direct costs and any prepayments made on or before the commencement date of the lease, less any discounts received. The right-of-use assets consist of premises and are presented as part of property, plant and equipment and are disclosed separately in note 11.

Lease liability

At the commencement date of the lease, the Group recognizes a lease liability equal to the present value of the lease payments to be made during the lease term. The lease term is defined as the non-cancellable period together with periods covered by an option to extend or terminate the lease if the Group is reasonably certain to exercise such options. Lease payments include fixed payments, net of any discounts received, variable lease payments that are dependent on an index or interest rate, such as a benchmark rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that are not dependent on an index or interest rate are recognized as an expense in the period in which they are incurred. To calculate the present value of the lease payments, the Group uses the interest rate implicit in the contract if it can be readily determined. If the implicit interest rate is not readily determinable, the incremental borrowing rate is used from the commencement date of the lease. After the commencement date of the lease, the lease liability is increased to reflect the interest on the lease liability and reduced by the lease payments. In addition, the value of the lease liability is reassessed as a result of contractual changes involving changes in the lease term or changes in lease payments. Lease liabilities are recognized as part of non-current and current interest-bearing liabilities but are disclosed separately in note 12.

Application of practical expedients

The Group applies the practical expedient that excludes short-term leases from recognition as lease assets and lease liabilities. In the Group, leases where the underlying asset is of low value consist of short-term leases for co-working spaces and similar services. Lease payments for short-term leases and leases where the underlying asset is of low value are expensed on a straight-line basis over the lease term.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The measurement of financial instruments depends on how they are classified.

Financial assets consist mainly of cash and cash equivalents, trade receivables, unbilled receivables and long-term receivables. All financial assets are measured at amortized cost. This is because they are held within a business model whose objective is to hold assets to collect contractual cash flows and the cash flows from the assets consist only of payments of principal and interest on the principal amount outstanding and are measured at amortized cost.

Financial liabilities consist mainly of loans, trade payables and accrued expenses. All financial liabilities are measured at amortized cost.

The carrying amounts of financial assets and financial liabilities measured at amortized cost are considered a reasonable approximation of fair value, as these assets and liabilities have short term durations.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, immediately available balances with banks and similar institutions and short-term investments. Short-term investments are classified as cash and cash equivalents when they have a maturity of less than three months from the date of acquisition, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and includes all costs of purchase for the inventories, outsourced manufacturing, programming and transportation of the inventories to their current location. Net realizable value is defined as the selling price less the cost to sell.

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The Group's operations are managed as a segment and are evaluated on the basis of net sales and operating profit/loss (EBIT) for the Group as a whole, consistent with how the executive

management and the Group's CEO, the Company's chief operating decision maker, monitor operating performance and make decisions about resources to be allocated.

Estimates and judgments

The preparation of financial statements and the application of accounting policies are often based on the executive management's assessment, estimates and assumptions that are believed to be reasonable at the time the judgments are made. Estimates and judgments are based on historical experience and a number of other factors that are believed to be reasonable under the circumstances. The results of these are used to assess the carrying amounts of assets and liabilities that are not otherwise apparent from other sources. Actual outcomes may differ from these estimates and judgments. Estimates and assumptions are reviewed regularly.

Valuation of tax losses carried forward

The Company has made an annual assessment of whether it is appropriate to capitalize deferred tax assets in respect of the year's tax losses carried forward. Deferred tax assets are recognized only for tax loss carryforwards for which it is probable that they can be utilized against future taxable profits and against taxable temporary differences. The Company has total loss carryforwards amounting to SEK 230.9 million. The Company has made an assumption that it is probable that the loss carryforwards can be utilized in their entirety against future taxable surpluses and thus reports a deferred tax asset linked to the losses.

NOTE 3 – NET SALES

For a description of the Group's sales and key judgments made in revenue recognition, see note 2, section "Revenue from contracts with customers".

<i>MSEK (unless otherwise stated)</i>	2023	2022
<i>Net sales per geographic market</i>		
Sweden	25.3	16.0
Rest of Europe, Middle East and Africa	443.0	298.6
Americas	1,201.6	1,155.1
Asia Pacific	157.3	81.3
	1,827.3	1,551.0
<i>Net sales per country</i>		
Americas	1,123.5	1,115.6
Germany	189.5	108.0
Other	514.3	327.3
	1,827.3	1,551.0
<i>Non-current assets</i>		
Sweden	24.2	29.9
Americas	38.8	53.3
Other	0.0	0.0
	63.1	83.2
<i>Net sales by business model</i>		
Perpetual model	1,589.0	1,419.9
Subscription model	238.2	131.3
	1,827.3	1,551.2

Revenue for license sales is recognized upon delivery while revenue for subscription agreements is recognized over the term of the contract, usually 3 years.

Information on major customers

The Group has one customer that individually accounted for more than 10 percent or more of the Group's turnover in the previous year, and sales to this customer amounted to SEK 303.3 million for 2022.

For 2023, no customer's sales amounted to more than 10 percent of the Group's turnover.

Remaining performance obligations

<i>MSEK (unless otherwise stated)</i>		2023	2022
<i>Remaining performance obligations by remaining contractual period</i>	1–2 year	186.6	183.7
	2–3 year	115.9	112.7
	3–5 year	42.6	41.7
Remaining performance obligations broken down by remaining contractual period:		345.1	338.0

Remaining performance obligations refer to the Group's backlog of unfulfilled or partially fulfilled subscriptions at the end of the period, which originally have a term of more than 12 months. Subscriptions typically have a term of three years and are recognized as revenue on a straight-line basis over this period. The weighted remaining contractual life of the order backlog is shown in the table above. Subscriptions are usually invoiced annually in advance.

Contract liabilities

<i>MSEK (unless otherwise stated)</i>	2023	2022
Advance payments from customers	7.5	12.6
Deferred income	36.1	123.0
Total	43.5	135.6

Of the SEK 135.6 million recognized as a contract liability as of 31 December 2022, SEK 98.2 million has been recognized as revenue in 2023 (2022: SEK 64.5 million).

Accounts receivables are presented in note 14.

NOTE 4 – OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income

<i>MSEK (unless otherwise stated)</i>	2023	2022
Exchange rate gains	44.7	69.5
Other	3.0	1.6
	47.8	71.2

Other operating expenses

<i>MSEK (unless otherwise stated)</i>	2023	2022
Exchange rate gains	-47.4	-50.4
Other	-0.3	-0.3
	-47.7	-50.7

NOTE 5 – OPERATING COSTS BY TYPE OF COST

<i>MSEK (unless otherwise stated)</i>	2023	2022
Goods for resale	266.3	244.7
Other external costs	289.5	258.8
Employee benefit expenses	971.8	834.8
Depreciation of property, plant and equipment and intangible assets	33.4	29.9
Other operating expenses	87.2	-
	1,648.2	1,368.3

For further information on transaction-related costs, see note 23.

NOTE 6 – EMPLOYEES, STAFF EXPENSES AND REMUNERATION OF SENIOR EXECUTIVES

Employee benefits expenses

<i>MSEK (unless otherwise stated)</i>	2023	2022
Salaries and allowances		
Board of directors and senior executives	37.9	30.8
Other employees	788.4	657.2
Total salaries and allowances	826.3	688.0
Social security costs excluding pension costs	79.3	58.2
Pension costs	31.6	24.2
Total costs	937.2	770.4

Remuneration to the board of directors

<i>MSEK (unless otherwise stated)</i>	2023			2022		
	Board remuneration	Committee fees	Total	Board remuneration	Committee fees	Total
<i>Patrik Tigerschiöld, chairman of the board</i>	0.3	0.0	0.3	0	0	0
<i>Stina Ehrensvärd</i>	0.1	0.0	0.1	0	0	0
<i>Gösta Johannesson</i>	0.1	0.0	0.1	0	0	0
<i>Paul Madera</i>	0.1	0.0	0.1	0	0	0
<i>Eola Änggård Runsten, chairman of the audit committee</i>	0.2	0.0	0.2	0	0	0
<i>Ramanujam Shriram</i>	0.1	0.0	0.1	0	0	0
Total remuneration to the board of directors	0.7	0.0	0.8	0	0	0

Remuneration to senior executives

MSEK (unless otherwise stated)

2023

	Basic salary	Variable remuneration	Pension costs	Share-based payments	Total
<i>Mattias Danielsson, CEO</i>	4.0	0.4	0.6	0.0	5.0
<i>Other senior executives (ten people)</i>	28.2	4.6	2.4	0.1	35.2
Total remuneration	32.2	4.9	3.0	0.1	40.3

MSEK (unless otherwise stated)

2022

	Basic salary	Variable remuneration	Pension costs	Share price related remuneration	Total
<i>Mattias Danielsson, CEO</i>	3.2	0.3	0.9	-	4.5
<i>Other senior executives (ten people)</i>	20.5	6.7	1.2	0.0	28.4
Total remuneration	23.8	7.0	2.1	0.0	32.8

Average number of employees

	2023	Of which women, %	2022	Of which women, %
Sweden	118	31	95	28
The. U.S.	263	30	252	31
UK	8	19	7	14
Germany	8	0	6	0
Canada	8	13	4	0
Australia	3	20	2	0
Total Group	408	28	366	29

Reporting on the gender balance of senior managers

Share of women, %	2023-12-31	2022-12-31
Board of directors	33	17
Other senior executives	31	26

SHARE-BASED PAYMENTS

Stock option programs

Prior to the merger with ACQ in September 2023, Yubico had an incentive program for employees in the U.S. The programs included employee stock options. The Company's employees in the U.S. were allotted options free of charge where, if vesting conditions were met, one option entitles the holder to subscribe for one share. The condition for the pay-out of stock options was that the employee remained employed upon exercise. The programs were vested over four years, of which a quarter could be paid out after 12 months and then 1/48th after each month. The total duration of the programs was nine years. In connection with the merger with ACQ, these stock options were exercised or lapsed.

Change in the number of stock options (with associated exercise prices in SEK)

2023 Stock option programs	Number of options	Average exercise price
Outstanding at the beginning of the year	1,658,215	229.95
Paid out during the year	-1,235,050	202.64
Forfeited during the year	-423,165	317.89
Outstanding at year-end	-	-

2022 Stock option programs	Number of options	Average exercise price
Outstanding at the beginning of the year	1,557,640	198.11
Awarded during the year	345,386	385.03
Paid out during the year	-31,258	190.13
Forfeited during the year	-213,553	257.85
Outstanding at year-end	1,658,215	229.95
Redeemable at year-end	870,420	162.84

Yubico uses the Black & Scholes model to calculate the fair value of the previous option programs. The table below shows the inputs used in the valuation of the equity-settled options granted in 2022. No grants were made in 2023.

	2022
Weighted average fair value	142.58
Exercise price	384.69 – 387.13
Expected volatility, %	25
Duration of the stock option	9 - 10 years
Expected dividend	No
Risk-free interest rate, %	1.82 – 3.60

The inputs and option values provided in the above table refer to the valuation at grant date. The expected volatility is based on historical volatility of comparable companies.

Performance stock units

The extraordinary general meeting on 19 September 2023 resolved in accordance with the board of directors' proposal to implement a long-term incentive program that runs until December 2026 ("**LTI 2023**"). LTI 2023 is based on performance stock units ("**PSUs**") and includes up to approximately 440 senior executives, key personnel and other employees within the Group. The maximum number of PSUs that could be granted amounted to 700,000. Each vested PSU entitles the holder to receive one share in the Company. PSUs are vested yearly during a three-year period. Vesting of PSUs is subject to both a performance condition and continued employment. To secure the delivery of shares pursuant to LTI 2023 and to cover any costs (including taxes and social security costs), the extraordinary general meeting resolved, deviating from the shareholders' preferential rights, to issue a maximum of 762,598 warrants of series 2023/2026, entitling to subscription of new shares in the Company. Of these, 151,701 warrants have been exercised for the delivery of 151,701 shares to some of the participants for the initial vesting period. The maximum dilution of the remaining warrants due to LTI 2023 is 0.6 percent (0.7 percent including warrants issued to cover any costs) of the current total number of outstanding shares. In December 2023, 698,298 PSUs were awarded to 356 senior executives, key personnel and other employees of the Group based on this program.

Change in the number of stock options (with associated exercise prices in SEK)

2023 Stock option programs	Number of options
Outstanding at the beginning of the year	-
Awarded during the year	698,298
Outstanding at year-end	698,298
<hr/>	
Performance stock units (LTI 2023)	2023
Number	698,298
Expected dividend	No
Fair value per share right at start date, SEK	38.5
Payment method	Shares
Valuation model	Monte Carlo

Amounts recognized in the income statement and balance sheet

<i>MSEK (unless otherwise stated)</i>	2023	2022
Recognized cost of share-based payments, including social security contributions	-30.3	-30.6

The 2023 amount includes SEK 14.1 million as a cost for discontinued option programs related to the merger between Yubico and ACQ, and is reported as transaction cost.

<i>MSEK (unless otherwise stated)</i>	2023	2022
Liability for social security contributions related to share-based payments	0,0	-

NOTE 7 – AUDITORS' FEES AND EXPENSES

<i>MSEK (unless otherwise stated)</i>	2023	2022
<hr/>		
<i>KPMG AB</i>		
Audit assignments	0.2	0.6
Other assignments	0.0	0.1
<i>PwC</i>		
Audit assignments	1.0	0.0
Tax consultancy	0.6	0.0
Other assignments	0.8	0.0
<i>Other assignments</i>		
Audit assignments	0.3	0

NOTE 8 – NET FINANCIAL INCOME/EXPENSE

<i>MSEK (unless otherwise stated)</i>	2023	2022
Interest income on bank balances	12.4	1.4
Exchange rate gains, net	0.0	5.8
Financial income	12.4	7.2
Interest expense on financial liabilities measured at amortized cost	-3.1	-2.1
Interest expense on lease liabilities	-2.1	-2.7
Exchange rate losses, net	-6.2	0.0
Financial expenses	-11.3	-4.8
Net financial income/expense	1.1	2.4

NOTE 9 – TAX

<i>MSEK (unless otherwise stated)</i>	2023	2022
Reported in the income statement		
<i>Current tax expense</i>		
Tax expense for the year	-56.8	-6.8
	-56.9	-6.8
<i>Deferred tax</i>		
Deferred tax on temporary differences	7.3	-0.2
Deferred tax income in tax value of loss carryforwards capitalized during the year	-	45.6
	7.3	45.4
Total reported tax	-49.6	38.6
Reconciliation of effective tax		
	2023	2022
<i>Profit/loss before tax</i>	180.2	205.9
Tax at the applicable tax rate for the parent company 20.6 % (20,6)	-37.1	-42.4
Effect of other tax rates for subsidiaries	-1.4	-1.2
Non-taxable income	0.0	0.9
Non-deductible income	-12.0	-8.6
Adjustment of tax related to previous years	-0.1	-0.3
Temporary differences in foreign subsidiaries	1.0	0.0
Utilization of previously unrecognized tax loss carryforwards	0.0	44.7
Capitalization of previously unrecognized loss carryforwards	0.0	45.5
Reported effective tax	-49.6	38.6
Deferred tax asset/liability		
	2023-12-31	2022-12-31
<i>Deferred tax asset</i>		
Loss carryforward	47.6	45.6
Temporary differences	13.1	7.2
	60.7	52.8
<i>Deferred tax liability</i>		
Temporary differences non-current assets	2.6	3.7
Other temporary differences	-	0.2
	2.6	3.8

All changes in deferred tax liabilities and deferred tax assets have been recognized in the consolidated income statement, with the exception of translation differences of SEK 8.4 million (SEK 14.2 million) and the loss carry-forward in connection with the merger with ACQ of SEK 2 million (SEK 0 million).

Due to the merger in Sweden, the loss carry-forwards are blocked for five years.

NOTE10 – INTANGIBLE ASSETS

<i>MSEK (unless otherwise stated)</i>	Patent and brands		Business systems	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Group				
<i>Accumulated cost</i>				
Opening balance as of January 1	9.5	9.6	9.4	9.4
Investments during the year	0.2	0.4		
Divestments and disposals	-0.3			
Reclassifications		-0.5		
Closing accumulated cost as of 31 December	9.4	9.5	9.4	9.4
<i>Accumulated amortization</i>				
Opening balance as of January 1	-4.5	-3.5	-4.3	-2.4
Amortization for the year	-1.0	-1.0	-1.9	-1.9
Closing accumulated amortization as of 31 December	-5.5	-4.5	-6.2	-4.3
Net carrying amount at year-end	3.9	5.0	3.2	5.1

Depreciation for the year is included in administrative expenses in the profit and loss account in 2023 and 2022.

NOTE11 – PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

<i>MSEK (unless otherwise stated)</i>	Equipment, tools and installations		Right-of-use assets	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Group				
<i>Accumulated cost</i>				
Opening balance as of 1 January	60.7	41.8	69.5	70.1
Investments during the year	13.3	18.3	2	-
Divestments and disposals	-4.4	-2.7	-	-
Exchange rate differences for the year	-1.1	3.3	-2	-0.6
Closing accumulated amortization as of 31 December	68.5	60.7	69.5	69.5
<i>Accumulated amortization</i>				
Opening balance as of 1 January	-28.4	-20.9	-18.6	-
Reversal of amortization on divestments and disposals	0.5	2.5	-	-
Amortization for the year	-11.7	-8.2	-18.7	-18.7
Exchange rate differences for the year	0.8	-1.8	1.2	0.1
Closing accumulated amortization as of 31 December	-38.8	-28.4	-36.1	-18.6
Net carrying amount at year-end	29.7	32.3	33.4	50.9

NOTE 12 – LEASING

The Group's right-of-use assets come from leased office space in Stockholm, California and Seattle. The lease terms vary between 1-4 years.

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Lease assets		
Right-of-use assets	33.4	50.9
Total lease assets	33.4	50.9
Lease liabilities		
Current liabilities	16.3	16.9
Non-current liabilities	18.7	34.7
Total leasing liabilities	35.0	51.5
Amounts recognized in profit/loss	2023	2022
Amortization on right-of-use assets	18.8	18.8
Interest charges on leasing liabilities	2.1	2.7
<i>Variable lease charges not included in the measurement of the lease liability</i>	0.5	0.0
Costs for short-term leasing	1.2	11.5

Total cash flow related to leases in 2023 was SEK 20.3 million (SEK 16.7 million).

NOTE13 – INVENTORIES

The composition of inventories is shown in the table below

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Raw materials and consumables	202.3	50.3
Work in progress	263.7	115.0
Finished goods and goods for resale	35.0	3.0
	501.0	168.3

NOTE 14 – ACCOUNTS RECEIVABLE

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Accounts receivable		
Accounts receivable, gross	196.3	408.6
Provision for expected credit losses	-4.4	0.0
Accounts receivable, net of provision for doubtful debts	191.9	408.6

The provision for expected credit losses relates in its entirety to receivables over 90 days past due.

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Provision for expected credit losses		
Provision for expected credit losses, opening balance	0.0	0.0
Provision for expected credit losses for the year	-4.4	0.0
Total	-4.4	0.0

For the Group's analysis of financial risk management and financial instruments, see note 17.

NOTE 15 – PREPAID EXPENSES AND ACCRUED INCOME

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Prepaid rents	2.3	2.2
Prepaid production cost	15.8	17.3
Other items	34.7	23.7
	52.8	43.2

NOTE 16 –ACCRUED EXPENSES AND DEFERRED INCOME

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Accrued salaries	2.9	0.4
Accrued vacation pay	31.8	28.1
Social security contributions on vacation pay liability and salaries	5.5	4.8
Accrued commissions	45.8	30
Accrued interest expenses	0.2	0.2
Other accrued expenses and deferred income	55.4	133.3
	141.6	196.8

NOTE 17 – FINANCIAL RISKS, FINANCIAL POLICY, AND FINANCIAL INSTRUMENTS

Through its activities, the Group is exposed to various types of financial risks such as market, liquidity, and credit risks. Market risks mainly consist of currency risk. The Company's board of directors has ultimate responsibility for the exposure, management, and monitoring of the Group's financial risks in accordance with the Company's financial policy. The policy is approved by the Company's board of directors at least once a year, and the Company's CFO is responsible to the Company's CEO and board of directors for its ongoing compliance. Financial risk management and financial risk controls are reported monthly to the Audit Committee and the board.

Financial instruments / Valuation of financial instruments

Financial assets consist of accounts receivables, other receivables arising from contractual relationships that are settled in cash or another financial asset and cash and cash equivalents. Financial liabilities consist of interest-bearing liabilities, accounts payables and other liabilities arising from contractual relationships that are settled in cash or another financial asset. Lease liabilities are not covered by the accounting policies for financial instruments.

The Group's financial assets and financial liabilities are carried at amortized cost.

The carrying amounts of accounts and other receivables, cash and cash equivalents, accounts and other payables, interest-bearing liabilities and other liabilities are a reasonable approximation of fair value because the maturities are generally short and interest-bearing assets and liabilities normally bear interest at variable rates.

Market risks

Currency risk

Currency risk refers to the risk of fluctuations in fair value or future cash flows due to changes in exchange rates. Exposure to foreign currencies and from payment flows in foreign currencies, known as transaction exposure, and from the translation of foreign subsidiaries' income statements and balance sheets into the Group's presentation currency, which is Swedish kronor (SEK), known as translation exposure.

Transaction exposure

Transaction exposure is the risk that earnings will be adversely affected by changes in the exchange rates of cash flows denominated in foreign currencies. The Group's outflows consist mainly of US dollars (USD) and Swedish kronor (SEK) and Euro (EUR), while the Group's inflows are mainly in USD and EUR. The Group is therefore affected by changes in these exchange rates. The Company's policy is not to hedge forecasted cash flows in the currency. The table below shows the outstanding net balances in SEK that constitute transaction exposure. The exposure is reported based on the Group's outstanding net balances in the most significant currencies.

Currency	2023	2022
USD	+286.7	+348.8
EUR	+130.7	+52.6

The impact of exchange rate effects on operating profit amounted to SEK -2.7 million (SEK 19.1 million).

Translation exposure

Translation exposure is the risk that the value of the Group's net investments and earnings in foreign currency will be adversely affected by exchange rate fluctuations. The Group consolidates its net assets and results in SEK at the balance date. This risk is called translation exposure and is not hedged in accordance with the Group's treasury policy.

The table below shows the translation exposure for net investments in foreign operations. The amounts below are expressed in SEK million at the closing rate.

Currency	2023	2022
USD	18.5	24.1
EUR	4.8	2.0
British pound (GBP)	1.4	0.1
Canadian dollar (CAD)	1.0	0.3
Australian dollar (AUD)	0.3	0.3

The impact of exchange rate movements against the Swedish krona for the most significant foreign currencies is presented under "Sensitivity analysis for currency risks" below.

Sensitivity analysis for currency risk

The sensitivity analysis for currency risk shows the sensitivity of the Group to an increase or decrease of 10 percent in the value of the Swedish krona against the main currencies. For transaction exposure, it shows the impact on the Group's profit after tax of changes in exchange rates. This also includes outstanding monetary assets and liabilities denominated in foreign currencies at the balance date, including loans to Group companies where the currency effect impacts the consolidated statement of comprehensive income.

The sensitivity analysis for translation exposure shows the sensitivity of the Group to a 10-percentage point increase or decrease in the exchange rate. For translation exposure, the effect is shown on the Group's equity. For exchange rate fluctuations, the effect is shown on the Group's profit after tax.

	2023 Effect on operating profit/loss	2023-12-31 Effect on equity	2022 Effect on operating profit/loss	2022-12-31 Effect on equity
Sensitivity analysis of currency risk				
Transaction exposure				
USD (+/- 10%)	28.7		34.9	
EUR (+/- 10%)	13.1		5.3	
Translation exposure				
Euro (EUR) (+/-10%)		7.6		6.5
US dollar (USD) (+/-10%)		0.9		0.5
British pound (GBP) (+/-10%)		0.5		0.3
Canadian dollar (CAD) (+/-10%)		0.1		0.0
Australian dollar (AUD) (+/-10%)		0.1		0.1

Liquidity and funding risk

Liquidity risk is the risk that Yubico will not have sufficient funds to pay anticipated or unanticipated expenses. The risk is associated with the availability of liquid funds. To meet expected and unexpected expenses, Yubico should have at least the equivalent of SEK 200 million at its disposal in the form of available liquidity at any given time, of which SEK 100 million should be kept in USD. Available liquidity is defined as unblocked assets in bank accounts, short-term bank deposits (1-3 months) and unused overdraft facilities. The status of the Group's liquidity shall be disclosed in the monthly report to the board of directors.

31 December 2023	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Liabilities to credit institutions	3.9	37.2	0.0	0.0	41.2
Lease liabilities	3.7	9.3	20.2	0.0	33.2
Accounts payable	66.7	0.0	0.0	0.0	66.7
Other liabilities	89.0	25.8	4.0	0.0	118.8
Total	163.3	72.3	24.2	0.0	259.9

31 December 2022	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Liabilities to credit institutions	4.0	12.1	41.2	0.0	57.2
Lease liabilities	3.8	11.2	24.0	10.4	49.4
Accounts payable	85.7	0.0	0.0	0.0	85.7
Other liabilities	59.3	23.1	1.4	0.7	84.4
Total	152.8	46.3	66.5	11.1	276.7

Interest rate risk

Interest rate risk refers to the risk of fluctuations in variable interest rates associated with the Group's borrowings. The interest rate risk is considered to be low, as an increase in the market interest rate of 1 percentage point, based on the Group's current external borrowing, would affect the result by SEK 0.5 million (SEK 0.6 million). The Group's liabilities to credit institutions carry a 3-month floating interest rate.

Credit and counterparty risk

Credit risk is the risk that the counterparty to a transaction will cause a loss to the Group by failing to meet its contractual obligations. The Group's exposure to credit risk relates to accounts receivables, cash and cash equivalents and deposits. To

limit the Group's credit risk, the Company follows its credit and collection policy. The Group's exposure to credit risk is mainly attributable to accounts receivables.

<i>MSEK (unless otherwise stated)</i>	2023-12-31	2022-12-31
Accounts receivables	191.9	408.6
Other current receivables	6.7	1.4
Non-current receivables	6.1	6.5
Cash	547.3	283.5
Maximum credit risk exposure	752.0	699.9

Credit risk in accounts receivables

For accounts receivables, expected credit losses are calculated based on the extent to which payments are overdue, supplemented by individual assessments. Impairment losses on trade and other receivables are recognized as operating expenses. The Group's maximum exposure to credit risk is considered to be equal to the carrying amounts of all financial assets and is presented in the table below.

MSEK (unless otherwise stated)

Accounts receivable	2023-12-31	2022-12-31
Not due	119.6	217.7
Due <30 days	46.2	124.7
Due 30–60 days	15.6	52.7
Due 60–90 days	1.0	2.0
Due >90 days	9.5	11.5
Total	191.9	408.5

The Company's assessment is that payment will be received for overdue accounts receivable as the customers' payment history is good.

The Group's provision for credit losses in accounts receivable is shown in note 14.

Credit risk in cash and cash equivalents

The Group had cash and cash equivalents of SEK 547.3 million (SEK 283.5 million) as of 31 December 2023. For cash and cash equivalents, banks are counterparties. The banks with which Yubico establishes relationships must have at least an A rating in credit rating. The number of bank relationships must be limited, but not dependent on only one bank in the main countries of operation (Sweden and the U.S.). The expected credit losses in cash and cash equivalents have been deemed immaterial and therefore not recognized.

Capital management

Capital is defined in the Group as net cash, i.e. the amount of cash and cash equivalents remaining if all liabilities are paid off. The net cash position as of 31 December 2023 is SEK 473.3 million (SEK 180.0 million).

NOTE 18 - PLEDGED ASSETS

MSEK (unless otherwise stated)

Group	2023-12-31	2022-12-31
Pledged assets for own liabilities and provisions		
<i>Other liabilities to credit institutions</i>		
Business mortgages	30	30
Bank guarantee	2.7	2.7
	32.7	32.7

NOTE 19 - ADDITIONAL DISCLOSURES TO THE CASH FLOW

	2023	2022
Depreciation and amortization	33.3	29.9
Unrealized customer losses	-4.7	-26
Share-based payment costs	30.3	30.6
Merger profit/loss	26.1	0
Other items not affecting cash flow	9.7	-4.4
	94.7	30.1
Interest received and interest paid	2023	2022
Interest received	12.4	1.4
Interest paid including interest on leasing debt	-5.1	-4.8

The reconciliation of liabilities arising from financing activities is presented in the tables below:

2023-12-31	Lease liabilities	Liabilities to credit institutions
Opening balance as of 1 January	51.5	52.0
Cash flows	-16.5	-13
Net carrying amount as of 31 December	35.0	39.0

2022-12-31	Lease liabilities	Liabilities to credit institutions
Opening balance as of 1 January	62.1	65.0
Cash flows	-10.6	-13.0
Net carrying amount as of 31 December	51.5	52.0

Cash and cash equivalents consist of bank balances.

NOTE 20 - CLOSELY RELATED PARTIES

The following are defined as closely related parties:

All companies within the Group, shareholders of Yubico holding at least 20 percent of the voting rights, directors, the CEO and senior executives and close family members of such directors and senior executives, and companies over which such directors and senior executives have significant influence.

During the year, normal business transactions have been carried out between the Group's subsidiaries and agreed remuneration has been paid to the CEO, the board, and other senior executives, see note 6.

Invoicing within the Group takes place according to the arm's length principle, which means that Yubico and its subsidiaries invoice or pay for Group services on market terms.

In 2023, Yubico donated USD 11,400 to the organization Solvatten, where CEO Mattias Danielsson has been on the board since spring 2023.

In 2022, the Group purchased consulting services of SEK 2.6 million from Aaemeo AB, which is owned by CEO Mattias Danielsson. The services related to an acting accounting manager. The person who has delivered the services through the same company is also married to and thereby closely related to Henrik Lejdebom, the General Counsel of Yubico.

NOTE 21 - EVENTS AFTER THE BALANCE DATE

On 14 May 2024, Yubico held its annual general meeting, where Jaya Baloo was elected as a new board member. Furthermore, the long-term incentive program (LTI) for 2024 was approved. On 28 November 2024, Yubico repaid the outstanding amount of SEK 29.3 million under the Company's previous credit facility agreement with AB Svensk Exportkredit, whereafter Yubico does not have any external interest-bearing debt financing. No events have occurred after the balance date that materially affect the assessment of the financial information in this Prospectus.

NOTE 22 - DEFINITIONS OF KEY FINANCIAL MEASURES

Key financial measures	Definition
Balance sheet total	Total assets
Equity ratio	(Total equity + equity portion of untaxed reserves) / Total assets.

NOTE 23 - MERGER BETWEEN YUBICO AND ACQ

On 19 April 2023, it was announced that ACQ and Yubico had entered into a merger agreement and adopted a joint merger plan for the combination of ACQ and Yubico. The merger was completed on 20 September 2023, whereby ACQ became the acquiring company and absorbed Yubico. In connection with the merger, ACQ changed its name to Yubico AB. The last day of trading in ACQ's shares on Nasdaq Stockholm was 19 September 2023 and the first day of trading in Yubico's shares on First North was 20 September 2023. The merger was carried out with ACQ as the acquiring company, with reg. no. 559278-6668, but for accounting purposes it was recognized as a reverse merger. Thus, ACQ is merged with Yubico's balance sheet as of 20 September 2023 and the history reflected in the financial reporting relates to the former Yubico's consolidated accounts, with the reg.no. 556720-8755.

Acquisition accounting of the merger

From an accounting perspective, the merger that took place between Yubico and ACQ is accounted for as a reverse acquisition. The reason is that in connection with the transaction, the shareholders of Yubico obtained a majority ownership of the then ACQ. This means that the accounting for the merger should be prepared as if Yubico had acquired ACQ. Thus, the financial statements are a continuation of the previous Yubico's accounts, as Yubico is defined as the accounting acquirer.

As the acquisition of ACQ is not defined from an accounting perspective as an acquisition of a business but as an acquisition of assets, the transaction is not subject to IFRS 3 but is accounted for in accordance with IFRS 2 share-based payment. The difference between the standards is that no goodwill can arise in the case of IFRS 2.

For accounting purposes, a purchase price is determined based on what Yubico would have had to pay if it had legally acquired ACQ. As ACQ was listed at the time, the consideration was set at a value equal to the market value of the whole of ACQ based on the market price at the date of the merger.

Considering IFRS 2, the net assets acquired were recognized at market value. The difference between the purchase price and the value of the net assets acquired is recognized as an expense (merger loss), as it is considered from an accounting perspective as compensation for listing Yubico's shares (listing cost) and is expensed in the income statement at the time of the merger.

From an accounting perspective, the cash merger consideration is accounted for as an implicit dividend to Yubico's shareholders, as there is no consideration in the transaction when accounted for as a reverse acquisition. Accordingly, the accounting for this transaction is in equity, as this cash was paid to the accounting acquirer's shareholders and is therefore not consideration in the transaction.

The acquired net assets of ACQ at the acquisition date amounted to SEK 3,442.4 million compared to the market value of ACQ at the same date, which amounted to SEK 3,468.5 million, resulting in a cost (merger loss) of SEK 26.1 million and is presented on the line transaction-related costs.

Transaction-related costs

The Group has recognized SEK 87.2 million in transaction-related costs related to the merger. The total cost of SEK 87.2 million is divided between merger loss of SEK 26.1 million, personnel-related costs of SEK 29.3 million, cost of interrupted incentive programs of SEK 14.1 million and fees to advisors of SEK 17.7 million. Of the total costs, SEK 40.2 million is not affecting cash flow.

Cash flow effects

The net effect on 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 in ACQ at the time of the merger and SEK -3,239.5 million from financing activities relating to a share issue of SEK 133.0 million, subscription of Yubico shares of SEK 430.4 million and cash consideration to Yubico shareholders of SEK -3,802.9 million which was paid out in the merger. Adjustment for non-cash items in the cash flow statement includes SEK 40.2 million in transaction-related items, related to the merger loss and cost for discontinued incentive programs.

NOTE 24 - GROUP TRANSITION TO IFRS, TRANSITION TO IFRS FUNCTION-BASED INCOME STATEMENT AND CORRECTION OF REPORTED SUBSCRIPTION REVENUE

Transition from K3 to IFRS

As of 1 January 2022, Yubico has prepared its consolidated financial statements in accordance with IFRS. The Group's transition date to IFRS is 1 January 2022, which means that the Group reports two comparative years. The transition to IFRS has been accounted for in accordance with IFRS 1 on initial application of IFRS.

The effect of the transition to IFRS has been recognized directly in opening equity. Previously published financial information for the period 1 January 2022 - 31 December 2022 and 1 January 2023 - 31 December 2023, prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3), has been restated to IFRS. The general principle is that all applicable IFRS accounting standards that have entered into force and have been endorsed by the EU should be applied retrospectively. The Group has applied the following exceptions to the general principle in accordance with IFRS 1:

The Group has applied the exemption in IFRS 1 relating to leases (IFRS 16) and thus measures lease liabilities and right-of-use assets at the date of transition to IFRS, i.e. 1 January 2022. Leases that expired in 2022 have not been recognized as lease assets or lease liabilities but are recognized as if they were short-term leases where the lease cost is recognized on a straight-line basis over the lease term.

The transition from previous accounting policies has also resulted in a different structure and classification of the financial statements compared to previously applied policies. However, these reclassifications do not affect operating profit/loss or equity.

Reconciliation between previous accounting policies and IFRS

The tables below show the reconciliation between previously applied accounting policies and IFRS and for the transition to function-based income statement for each period for the years 2022 and 2023 and the opening balance as of 1 January 2022 for the consolidated income statement, consolidated balance sheet and cash flow statement.

A. Leases

Under previous accounting policies, leases were classified as operating leases and related to the rental of office space. Under IFRS 16, leases, with the exception of short-term leases, are recognized in the statement of financial position. The obligation to pay lease payments is discounted and recognized as lease liabilities, split into a current and a non-current portion in the statement of financial position. Right-of-use assets for leases are initially measured at amounts equal to the lease liability adjusted for prepaid lease payments and are included as part of property, plant and equipment. A deferred tax asset is recognized in respect of the temporary difference arising. The operating lease expense recognized under other external expenses is eliminated in the income statement while expenses related to depreciation of right-of-use assets and interest expense on lease liabilities are added. Finally,

the reclassification also affects the presentation of the Group's cash flows. Under previous accounting policies, cash flows attributable to operating leases were reported as part of operating activities. Under IFRS 16, payments are split between repayment of the principal portion of the lease liability (financing activities) and payment of interest (operating activities).

B. Translation of foreign operations

In accordance with previously applied accounting policies, exchange rate differences arising from the translation of foreign subsidiaries are recognized directly in equity. In accordance with IFRS, the exchange rate difference is recognized separately in other comprehensive income and accumulated as a separate component of equity from 1 January 2022. Thus, in the opening balance as of 1 January 2022, the accumulated translation difference is reset to zero in equity.

Change in presentation of the income statement

In connection with the transition to IFRS, the format of the income statement has changed from a cost-type income statement to a function-type income statement, which has impacted 2022 and 2023. Costs are classified by function, i.e. "Cost of sales", "Research and development", "Selling expenses" and "Administrative expenses". Indirect costs for manufacturing, logistics, order processing, customer support and consulting services are classified as 'Cost of sales' and affect the gross margin. The key performance indicator tables in this report have been restated for historical periods to reflect this change. The costs of the Group's software and systems and office rentals are classified as "Administrative expenses".

Correction of reported subscription turnover 2022-2023

A correction of previously reported subscription revenue was made in the second quarter of 2024. Subscription revenue during the period 2022-2024 has been overestimated by a total of SEK 32.3 million, with an effect on net profit of SEK 21.7 million. For 2023 and 2022, revenues were overestimated by SEK 17.0 million and SEK 9.8 million respectively. For comparability, the correction has been made retrospectively with restatement of the financial years 2023 and 2022. See table below for details of the impact on the income statement. The corresponding restatements affect trade receivables, other current liabilities and equity in the balance sheet and the corresponding effects in the cash flow statement.

Consolidated income statement for 2023

MSEK (unless otherwise stated)

Previous format	Revised format	Changed format of the consolidated income statement							Transition from K3 to IFRS				
		Operating cost by nature	Cost of sales	R&D	Sell	Adm	Other Inc. & Expenses	K3 functionally subdivided	A. Leasing	B. Conversion difference	IFRS	Adjustment	IFRS after adjustment
Net sales	Net sales	1,844.2	-	-	-	-	-	1,844.2	-	-	1,844.2	-17.0	1,827.3
Other operating income		47.8	-	-	-	-	-47.8	-	-	-	-	-	-
	Cost of sales	-	-368.7	-	-	-	-	-368.7	-	-	-368.7	-	-368.7
Gross profit or loss	Gross profit or loss	1,892.0	-368.7	-	-	-	-	1,475.5	-	-	1,475.5	-17.0	1,458.6
	Research and development expense	-	-	-274.1	-	-	-	-274.1	-	-	-274.1	-	-274.1
	Selling expenses	-	-	-	-649.4	-	-	-649.4	-	-	-649.4	-	-649.4
	Administrative expenses	-	-	-	-	-357.5	-	-270.3	1.5	-	-268.8	-	-268.8
	Transaction related expenses	-	-	-	-	-87.2	-	-87.2	-	-	-87.2	-	-87.2
	Other income and expenses	-	-	-	-	-	-0.1	-0.1	-	-	-0.1	-	-0.1
Goods for resales		-266.3	266.3	-	-	-	-	-	-	-	-	-	-
Other external expenses		-309.8	9.0	23.4	183.1	181.5	-	0.0	-	-	0.0	-	0.0
Personnel expenses		-971.7	85.7	250.5	466.3	169.3	-	-	-	-	-	-	-
Depreciation, amortization and impairment of tangible and non-tangible assets		-14.6	7.7	0.2	0.0	6.6	-	-	-	-	-	-	-
Transaction related expenses		-87.2	-	-	-	87.2	-	-	-	-	-	-	-
Other operating expenses		-47.8	-	-	-	-	47.8	-	-	-	-	-	-
Operating profit	Operating profit	194.5	0.0	-0.0	-0.0	-	-	194.5	1.5	-	196.1	-17.0	179.1

								-			-	
Net financial items	Financial income and expenses	3.2	-	-	-	-	-	3.2	-2.1	1.1	-	1.1
Profit after financial items	Net financial items	3.2	-	-	-	-	-	3.2	-2.1	1.1	-	1.1
Profit before tax	Profit before tax	197.7	0.0	-	-	-	-	197.7	-0.5	197.2	-17.0	197.2
Income tax	Income tax	-55.4	-	-	-	-	-	-55.4	0.2	-55.2	5.6	-49.6
Net profit for the period	Net profit for the period	142.3	0.0	-	-	-	-	142.3	-0.4	142.0	-11.4	130.6
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-0.5	-2.0	-2.5	-
	Total other comprehensive income for the period, net of tax	-	-	-	-	-	-	-	-0.5	-2.0	-2.5	-
	Total comprehensive income for the period, net of tax	142.3	-	-	-	-	-	142.3	-0.9	-2.0	139.5	-11.4
												128.1

Consolidated income statement for 2022

MSEK (unless otherwise stated)

Previous format	Revised format	Changed format of the consolidated income statement							Transition from K3 to IFRS				
		Operating cost by nature	Cost of sales	R&D	Sell	Adm	Other Inc. & Expenses	K3 functionally subdivided	A. Leasing	B. Conversion difference	IFRS	Adjustment	IFRS after adjustment
Net sales	Net sales	1,561.0	-	-	-	-	-	1,561.0	-	-	1,561.0	-9.8	1,551.2
Other operating income		71.2	-	-	-	-	-71.2	-	-	-	-	-	-
	Cost of sales	-	-354.0	-	-	-	-	-354.0	-	-	-354.0	-	-354.0
Gross profit or loss	Gross profit or loss	1,632.1	-354.0	-	-	-	-	1,207.0	-	-	1,207.0	-9.8	1,197.2
	Research and development expense	-	-	-235.0	-	-	-	-235.0	-	-	-235.0	-	-235.0
	Selling expenses	-	-	-	-545.0	-	-	-545.0	-	-	-545.0	-	-545.0
	Administrative expenses	-	-	-	-	-232.2	-	-232.2	-2.0	-	-234.3	-	-234.3
	Transaction related expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Other income and expenses	-	-	-	-	-	20.5	20.5	-	-	20.5	-	20.5
Goods for resales		-244.7	244.7	-	-	-	-	-	-	-	-	-	-
Other external expenses		-275.5	11.7	23.8	152.5	87.4	-	-	-	-	-	-	-
Personnel expenses		-834.8	92.3	211.2	392.4	138.9	-	-	-	-	-	-	-
Depreciation, amortization and impairment of tangible and non-tangible assets		-11.2	5.2	0.0	0.0	5.9	-	-	-	-	-	-	-
Transaction related expenses		-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses		-50.7	-	-	-	-	50.7	-	-	-	-	-	-
Operating profit	Operating profit	215.3	0.0	-0.0	0.0	-0.0	71.2	215.3	-2.0	-	213.3	-9.8	203.4

										-		-	
Net financial items	Financial income and expenses	5.1	-	-	-	-	-	5.1	-2.7	-	2.4	-	2.4
Profit after financial items	Net financial items	5.1	-	-	-	-	-	5.1	-2.7	-	2.4	-	2.4
Profit before tax	Profit before tax	220.4	0.0	-0.0	0.0	-0.0	71.2	220.4	-4.7	-	215.7	-9.8	215.7
Income tax	Income tax	35.1	-	-	-	-	-	35.1	0.3	-	35.4	3.2	38.6
Net profit for the period	Net profit for the period	255.5	0.0	-0.0	0.0	-0.0	71.2	255.5	-4.4	-	251.1	-6.6	244.5
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	4.1	4.5	8.6	-	8.6
	Total other comprehensive income for the period, net of tax	-	-	-	-	-	-	-	4.1	4.5	8.6	-	8.6
	Total comprehensive income for the period, net of tax	255.5	0.0	-0.0	0.0	-0.0	71.2	255.5	-0.3	4.5	259.7	-6.6	253.1

Consolidated statement of financial position, 31 December 2023

MSEK (unless otherwise stated)

	According to previous policies (K3)	A. Leasing	IFRS	Adjustment	IFRS after adjustment
ASSETS					
Non-current assets					
Intangible assets	7.2	-	7.2		7.2
Property, plant and equipment	29.7	33.4	63.1		63.1
Non-current financial assets	6.1	-	6.1		6.1
Deferred tax assets	60.7	0.5	61.2		61.2
Total non-current assets	103.7	33.9	137.6		137.6
Current assets					-
Inventories	501.0	-	501.0		501.0
Accounts receivables	218.6	-	218.6	-26.8	191.9
Other current receivables	102.9	-	102.9		102.9
Cash and cash equivalent	547.3	-	547.3		547.3
Total current assets	1,369.9	-	1,369.9	-26.8	1,343.2
TOTAL ASSETS	1,473.6	33.9	1,507.5	-26.8	1,480.7
EQUITY AND LIABILITIES					-
Equity	1,142.0	-1.1	1,140.8	-18.0	1,122.8
Non-current liabilities					-
Non-current interest-bearing liabilities	26.0	18.7	44.7		44.7
Deferred tax liabilities	2.6	-	2.6		2.6
Total non-current liabilities	28.6	18.7	47.3	-	47.3
Current liabilities					-
Current interest-bearing liabilities					
	13.0	16.3	29.3		29.3
Accounts payable	66.7	-	66.7		66.7
Other current liabilities	223.4		223.4	-8.8	214.6
Total current liabilities	303.1	16.3	319.4	-8.8	310.6
TOTAL EQUITY AND LIABILITIES	1,473.6	33.9	1,507.5	-26.8	1,480.7

Consolidated statement of financial position, 31 December 2022

MSEK (unless otherwise stated)

	According to previous policies (K3)	A. Leasing	IFRS	Adjustment	IFRS after adjustment
ASSETS					
Non-current assets					
Intangible assets	10.2	-	10.2		10.2
Property, plant and equipment	32.3	50.9	83.2		83.2
Non-current financial assets	6.5	-	6.5		6.5
Deferred tax assets	52.9	0.3			53.2
Total non-current assets	101.8	51.2	153.0		153.0
Current assets					
Inventories	168.3	-	168.3		168.3
Accounts receivables	418.4	-	418.4	-9.8	408.6
Other current receivables	149.9	-	149.9		149.9
Cash and cash equivalent	283.5	-	283.5		283.5
Total current assets	1,020.1	-	1,020.1	-9.8	1,010.3
TOTAL ASSETS	1,121.9	51.2	1,173.2	-9.8	1,163.3
EQUITY AND LIABILITIES					
Equity	732.6	-0.3	732.4	-6.6	725.8
Non-current liabilities					
Non-current interest-bearing liabilities	39.0	34.7	73.7		73.7
Deferred tax liabilities	3.8	-	3.8		3.8
Total non-current liabilities	42.8	34.7	77.5	-	77.5
Current liabilities					
Current interest-bearing liabilities					
	13.0	16.9	29.9		29.9
Accounts payable	85.7	-	85.7		85.7
Other current liabilities	247.7	-	247.7	-3.2	244.5
Total current liabilities	346.4	16.9	363.3	-3.2	360.1
TOTAL EQUITY AND LIABILITIES	1,121.9	51.2	1,173.2	-9.8	1,163.3

Consolidated statement of financial position, 1 January 2022

MSEK (unless otherwise stated)

	According to previous policies (K3)	A. Leasing	IFRS	Adjustment	IFRS after adjustment
ASSETS					
Non-current assets					
Intangible assets	13.2	-	13.2		13.2
Property, plant and equipment	20.9	62.1	83.0		83.0
Non-current financial assets	1.7	-	1.7		1.7
Deferred tax assets	6.1	-	6.1		6.1
Total non-current assets	41.8	62.1	103.9		103.9
Current assets					
Inventories	208.4	-	208.4		208.4
Accounts receivables	133.0	-	133.0		133.0
Other current receivables	88.2	-	88.2		88.2
Cash and cash equivalent	264.5	-	264.5		264.5
Total current assets	694.1	-	694.1		694.1
TOTAL ASSETS	735.9	62.1	798.0		798.0
EQUITY AND LIABILITIES					
Equity	435.7		435.7		435.7
Non-current liabilities					
Non-current interest-bearing liabilities	52.0	46.4	98.4		98.4
Deferred tax liabilities	2.9	-	2.9		2.9
Total non-current liabilities	54.9	46.4	101.3		101.3
Current liabilities					
Current interest-bearing liabilities					-
	13.0	15.7	28.7		28.7
Accounts payable	40.1	-	40.1		40.1
Other current liabilities	192.2	-	192.2		192.2
Total current liabilities	245.3	15.7	261.0		261.0
TOTAL EQUITY AND LIABILITIES	735.9	62.1	798.0		798.0

Consolidated cash flow statement 2023

MSEK (unless otherwise stated)

	According to previous policies (K3)	A. Leasing	IFRS	Adjustment	IFRS after adjustment
Operating activities					
Profit/loss before tax	197.7	-0.5	197.2	-17.0	180.2
Adjustments for non-cash items, etc.	72.1	17.0	89.1	5.6	94.7
Income tax paid	-21.0	-	-21.0	-	-21.0
Cash flow from operating activities before changes in working capital	248.8	16.5	265.4	-11.4	254.0
Cash flow from changes in working capital					-
Changes in inventories	-335.7	-	-335.7	-	-335.7
Changes in current receivables	285.7	-	285.7	17.0	302.7
Changes in operating liabilities	-101.3	-	-101.3	-5.6	-106.9
Cash flow from operating activities	97.6	16.5	114.1	-	114.1
Cash flow from investing activities	3,410.6	-	3,410.6	-	3,410.6
Cash flow from financing activities	-3,242.8	-16.5	-3,259.3	-	-3,259.3
Cash flow for the period	265.4	-	265.4	-	265.4
Cash and cash equivalents at the beginning of the period	283.5	-	283.5	-	283.5
Exchange-rate differences in cash and cash equivalents	-1.6	-	-1.6	-	-1.6
Cash and cash equivalents at the end of the period	547.3	-	547.3	-	547.3

Consolidated cash flow statement 2022

MSEK (unless otherwise stated)

	According to previous policies (K3)	A. Leasing	IFRS	Adjustment	IFRS after adjustment
Operating activities					
Profit/loss before tax	220.4	-4.7	215.7	-9.8	205.9
Adjustments for non-cash items, etc.	11.9	15.3	27.2	3.2	30.4
Income tax paid	-11.0	-	-11.0	-	-11.0
Cash flow form operating activities before changes in working capital	221.3	10.6	231.9	-6.6	225.3
Cash flow from changes in working capital					-
Changes in inventories	61.8	-	61.8	-	61.8
Changes in current receivables	-327.2	-	-327.2	9.8	-317.4
Changes in operating liabilities	76.8	-	76.8	-3.2	73.6
Cash flow from operating activities	32.7	10.6	43.3	-	43.3
Cash flow from investing activities	-18.8	-	-18.8	-	-18.8
Cash flow from financing activities	-6.7	-10.6	-17.3	-	-17.3
Cash flow for the period	7.2	-	7.2	-	7.2
Cash and cash equivalents at the beginning of the period	264.5	-	264.5	-	264.5
Exchange-rate differences in cash and cash equivalents	11.7	-	11.7	-	11.7
Cash and cash equivalents at the end of the period	283.5	-	283.5	-	283.5

NOTE 25 – LIST OF GROUP COMPANIES

Specification of the consolidated financial statements:

Direct holdings	2023-12-31		2022-12-31	
	Number of shares	Share, %	Number of shares	Share, %
Yubico Inc / 333070-9324 / Delaware	10,003,000	100.0	10,003,000	100.0
Yubico Ltd / 7007100 / Surrey	1,000	100.0	1,000	100.0
Yubico GmbH / HRB 11426 / Laer	2,500	100.0	2,500	100.0
Yubico Canada Ltd / 1000178316 / Toronto	100	100.0	100	100.0
Yubico Pty Ltd / ACN623392576 / Melbourne	100	100.0	100	100.0

NOTE 26 – RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF SHARES

	2023	2022
	Number	Number
Weighted average number of shares for the calculation of basic earnings per share	59,698,135	49,378,596
<i>Adjustments for the calculation of diluted earnings per share</i>		
Warrants	-	1,659,347
Weighted average number of shares and potential shares used as denominator in the calculation of earnings per share	59,698,135	51,037,942

In the context of a reverse acquisition, the average number of shares for the comparative period and up to the merger date is calculated based on Yubico's average number of shares outstanding increased by the factor reflecting the exchange ratio at the merger date. From the date of the merger onwards, the average number of shares outstanding of the legal parent company is used. The conversion factor applied for the comparative period and up to the date of the merger is 3.135. There were warrants in the former Yubico in 2022 that had a dilutive effect and these warrants have also been adjusted by the same factor.

As of 31 December 2023, there were SEK 4.9 million options and performance stock units that were out of the money (SEK 0.2 million).

There are 4,200,000 warrants outstanding in the Company that were subscribed for by Bure Equity in its previous capacity as a sponsor to ACQ. The warrants can be exercised for subscription of shares no earlier than 1 April 2026 and no later than 1 April 2031, subject to the terms and conditions of the warrants, and each warrant entitles Bure Equity to subscription of one (1) share in the Company at a subscription price of SEK 130. However, under the terms and conditions for the warrants the Company has the right to demand that the number of shares each warrants entitles to is recalculated such that the number of shares only represent the net value of the warrants ("net strike"), whereby subscription of shares shall be made at the share's quota value instead of the full exercise price. Depending on the Company's decision as to whether it opts for net strike or not, the dilution for existing shareholders may, upon exercise of all warrants, amount to a maximum of approximately 4.9 percent, based on the number of shares in the Company. The warrants are subject to recalculation terms, which, inter alia, means that future dividends paid by the Company will lead to recalculation which will have the effect that the number of shares that the warrants entitle to will increase. As the average market price of the Yubico share during the period was below the exercise price, no dilution effect has been considered.



This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Independent Auditor's report

To the board of Yubico AB (publ), corporate identity number 559278-6668

Report on the consolidated accounts

Opinions

We have audited the consolidated accounts of Yubico AB (publ) for the period of two financial years ending 31 December 2023. The consolidated accounts of the company are included on pages F2- F7 in this document.

In our opinion, the consolidated accounts have been prepared in accordance with the Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU, and present fairly, in all material respects, the financial position of the group as of 31 December 2023, 31 December 2022 and 1 January 2022 and its financial performance and cash flow for each of the two financial years ending 31 December 2023 in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and according to IFRS as adopted by the EU. The Board of Directors and the Managing Director is also responsible for such internal control as they determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.



Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for my our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.



Stockholm, 03 December 2024
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Lead auditor
Authorised auditor

Reita Seseri
Authorised auditor

12 ADDRESSES

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