

# ACQ yubico

Making the  
internet safer  
for all



## Important information

The release, publication or distribution of this presentation may, in certain jurisdictions, be restricted by law and persons into whose possession this presentation or any information referred to herein comes should inform themselves about and observe any such restrictions. This presentation is not for release, publication or distribution, directly or indirectly, in whole or in part, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia, the "United States"), Australia, Canada, Hong Kong, Japan, South Africa or any other jurisdiction where such release, publication or distribution would constitute a violation of the relevant laws or regulations of such jurisdiction. This presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States, Australia, Canada, Hong Kong, South Africa or any other jurisdiction in which such offers or sales are unlawful (the "Excluded Territories").

The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state of the United States, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Subject to certain limited exceptions, the securities referred to in this presentation are being offered and sold only outside the United States. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. In addition, the securities issued in connection with the offering have not been and will not be registered under any applicable securities laws of any state, province, territory, county or jurisdiction of the other Excluded Territories. Accordingly, such securities may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, in or into the Excluded Territories or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of such securities in, the relevant jurisdiction. Further details of which U.S. and other holders of Yubico shares are eligible to receive ACQ shares in the merger, and the procedural steps required to be taken by such persons in order to receive such shares, as well as the procedures for those U.S. and other holders of Yubico shares who do not so qualify to receive ACQ shares, will be delivered to the relevant holders.

The ACQ shares are not listed on a U.S. securities exchange and ACQ is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "SEC") thereunder. The ACQ shares have not been and will not be listed on a U.S. securities exchange or quoted on any inter-dealer quotation system in the United States. Neither ACQ nor Yubico intends to take any action to facilitate a market in the ACQ shares in the United States. The Transaction to which this presentation relates is proposed to be effected by means of a statutory merger under Swedish law. This presentation, and any other documents relating to the Transaction, have been, or will be, prepared in accordance with Swedish law, the Swedish Companies Act and Swedish disclosure requirements, format and style, all of which differ from those in the United States. The Transaction is not subject to the tender offer rules or the proxy solicitation rules under U.S. Exchange Act. Accordingly, the Transaction is subject to the disclosure and procedural requirements of, and practices applicable in, Sweden to statutory mergers, which differ from the disclosure and procedural requirements of the U.S. tender offer and proxy solicitation rules. Neither the U.S. Securities and Exchange Commission (SEC) nor any U.S. state securities commission has approved or disapproved the Transaction or the ACQ shares to be issued in connection therewith, passed upon the merits or fairness of the Transaction, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this presentation. Any representation to the contrary is a criminal offence in the United States.

Financial statements, and all financial information that is included in this presentation or any other documents relating to the Transaction, have been or will be prepared in accordance with the Swedish Accounting Standards Board's general advice on consolidated accounting or other reporting standards or accounting practices which may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU or the International Accounting Standards Board (IASB), or generally accepted accounting principles in the United States (US GAAP). The receipt of cash and ACQ shares by U.S. holders of Yubico common shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of shares and warrants (including US options) in Yubico is urged to consult their independent professional adviser immediately regarding the tax consequences of the Transaction applicable to them.

This presentation is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction.

In the United Kingdom, this presentation and any other materials in relation to the securities described herein is being distributed only to, and is directed only at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the Prospectus Regulation which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this presentation and should not act or rely on it.

This presentation does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new securities. Any investment decision to acquire or subscribe for securities in ACQ or Yubico must be made on the basis of all publicly available information relating to ACQ and Yubico and their securities, respectively. Such information has not been independently verified by Skandinaviska Enskilda Banken AB. Skandinaviska Enskilda Banken AB is acting for ACQ in connection with the Transaction and no one else and will not be responsible to anyone other than ACQ for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein. This presentation does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This presentation does not constitute a recommendation for any investors' decisions regarding the Transaction, ACQ or Yubico. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this presentation and any publicly available information.

### Forward-looking statements

This presentation contains certain forward-looking statements (including the Combined Company guidance). Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although ACQ believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The Combined Company's actual results of operations, including the Combined Company's financial condition and liquidity and the development of the industry in which the Combined Company operates, may differ materially from and be more negative than those made in, or suggested by, the forward-looking statements contained in this presentation. Factors, including risks and uncertainties that could cause these differences include, but are not limited to risks associated with implementation of the Combined Company's strategy, risks and uncertainties associated with the Combined Company's ability to develop new services and enhance existing services, the impact of competition, changes in general economy and industry conditions, and legislative, regulatory and political factors.

The information, opinions and forward-looking statements contained in this presentation speak only as at its date and are subject to change without notice. ACQ does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

# Today's presenters

---

ACQ



**Henrik Blomquist**  
Chief Executive  
Officer

---

yubico



**Mattias Danielsson**  
Chief Executive  
Officer



**Stina Ehrensvärd**  
Co-founder &  
Chief Evangelist



**Camilla Öberg**  
Chief Financial  
Officer

# Yubico – A global authentication leader

**400+**  
Employees

**4500+**  
Business customers  
+ millions of  
consumers

**30%**  
of Fortune 500  
are customers

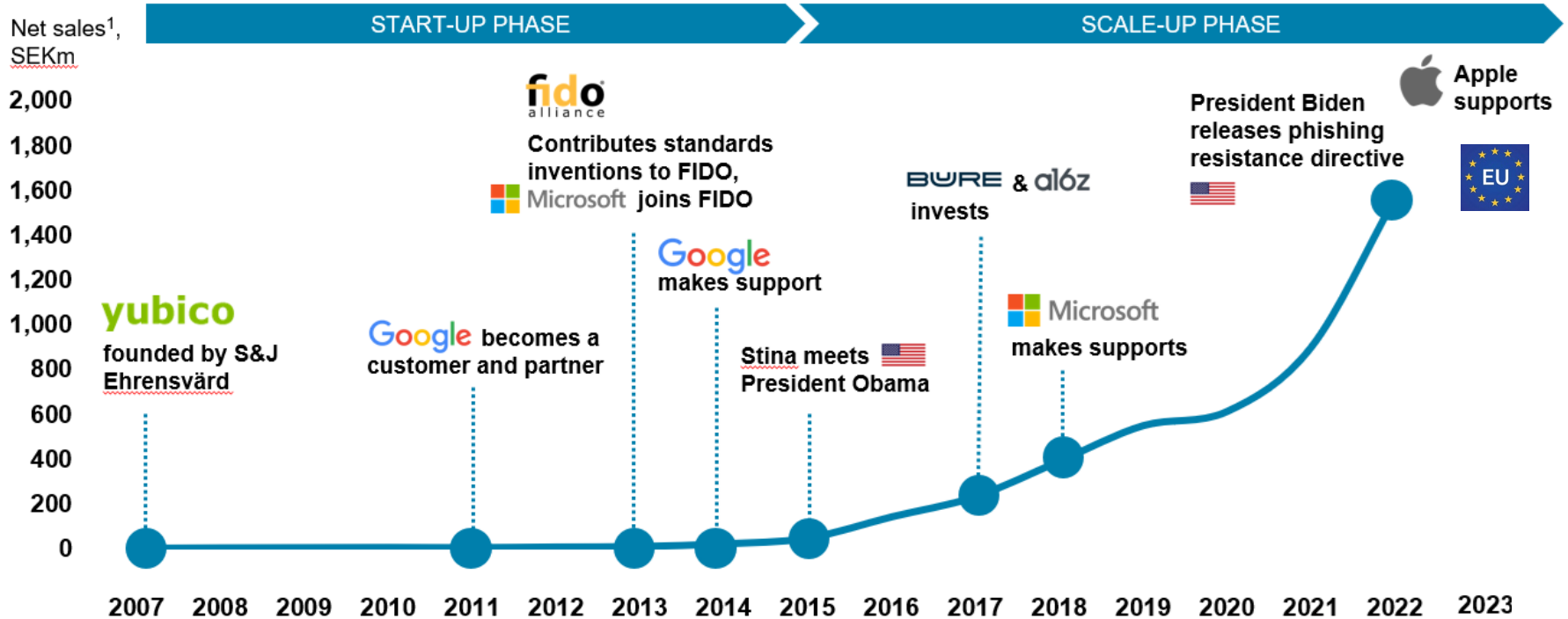
**+22m**  
YubiKeys sold

SEK **1.6bn**  
Net sales 2022

**+85%**  
Gross margin

**0**  
account  
takeovers

# The Yubico journey towards ubiquity



9 Source: Company information  
Notes: 1) Historical net sales based on Yubico annual reports

# Where Yubico protects

 Direct protection  Ancillary protection  Unable to protect

## Account takeover **90% of cyber breaches**



Phishing



Spear Phishing



Man-in-the-middle



Social Engineering

## Supply-chain attacks



Supply-chain attack

## Malware attacks



Ransomware & Leakware



Spyware



Trojan, Virus

## Web-application attacks



Cross-site scripting



Malicious Requests / Exploit

## Denial-of-Service attacks

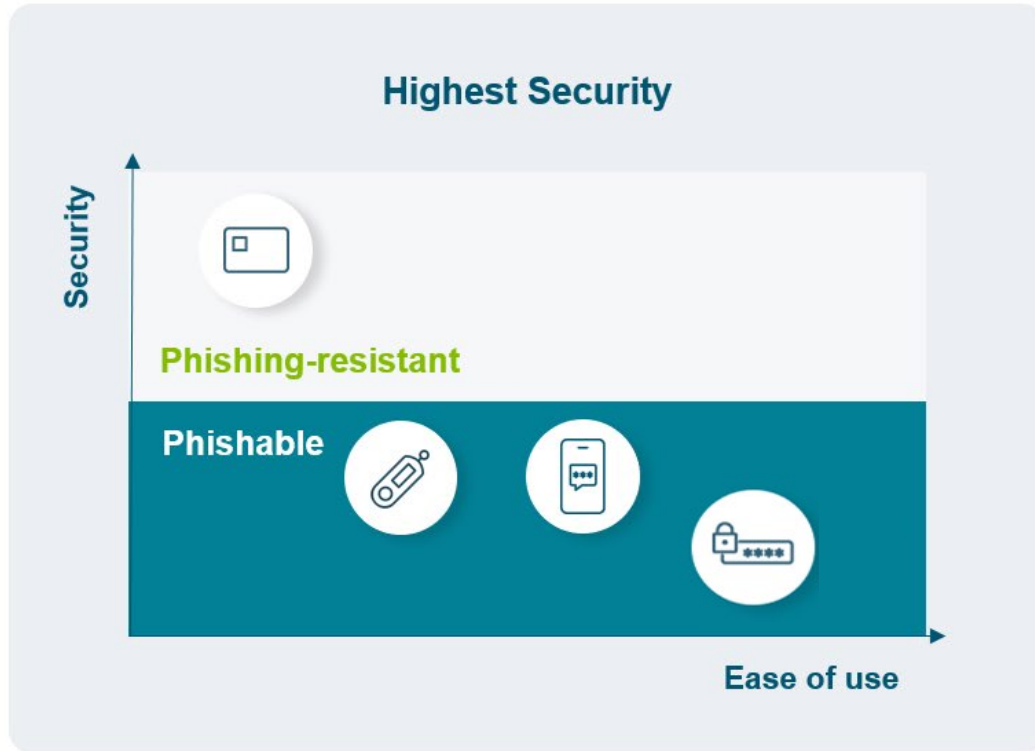


SYN-flood and Smurf-attack



Ping-of-death

# The authentication challenge



# Combining security and ease of use





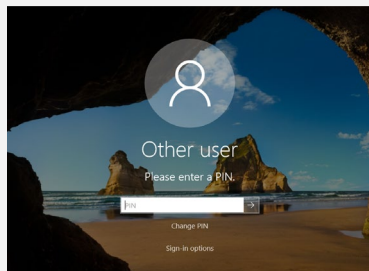
# Best user experience

## Register and authenticate with a YubiKey

## For selected services:

Once registered, optionally no further need for the YubiKey until setting up a new account or computing device

1 Enter PIN  
(or password)



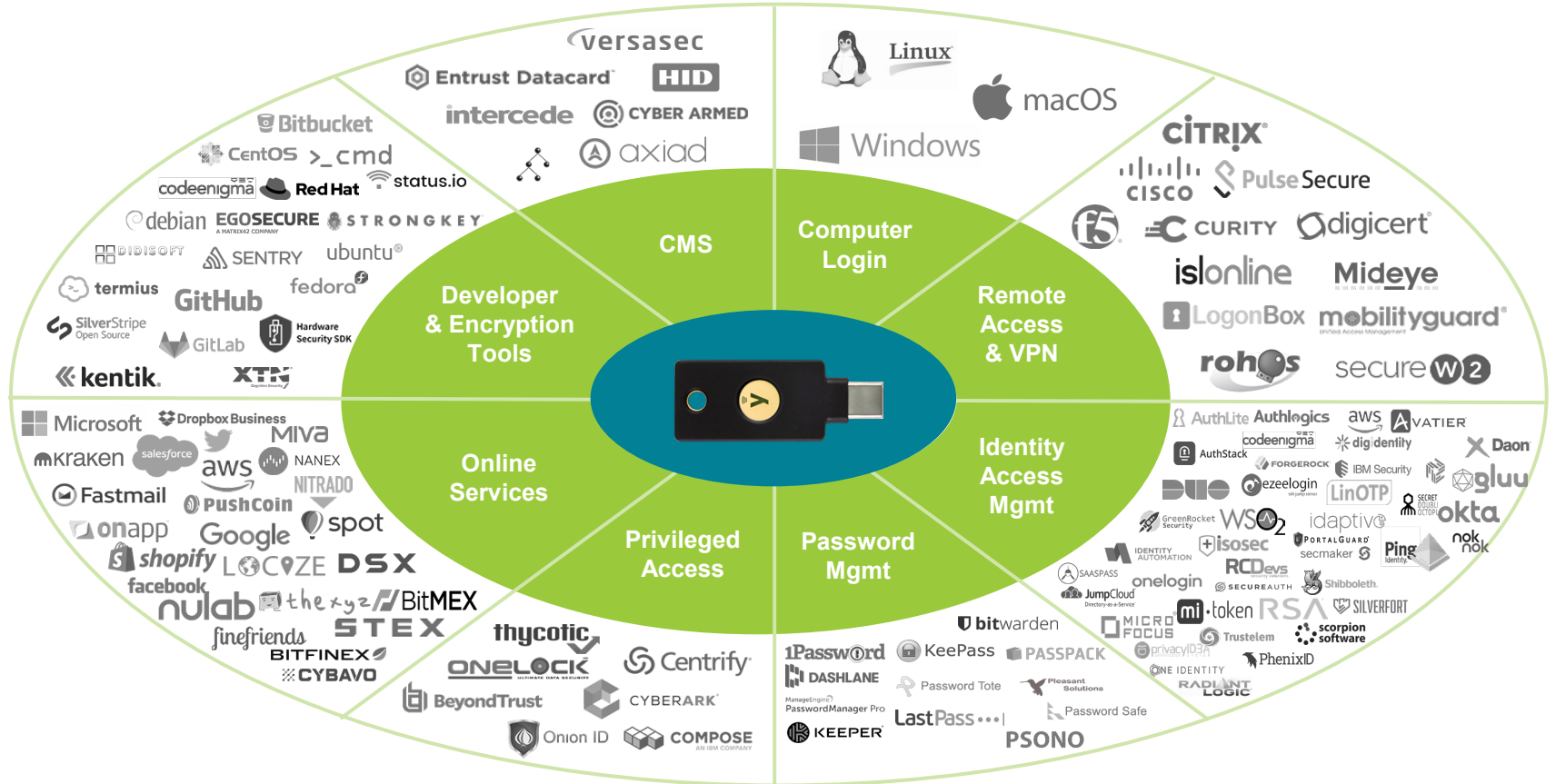
2 Touch or tap  
YubiKey



**It just works!**



# YubiKey works with 800+ applications



# Best return on investment in IT security



## Risk of account takeovers

350,000 hijacking attempts



0%

Security key (YubiKey)



10%

On-device prompt



24%

SMS code



21%

Secondary email



50%

Phone number

## Results of YubiKey deployment versus OTP phone app

0

Account takeovers

4x

Faster to login







92%

Support reduction

50<sup>+</sup><sub>m</sub>

In ROI

# The Yubico solution

<b>Services</b>	 Pro Svcs + Support	 Customization	 Subscription	 Delivery
<b>Integrations</b>	Open source servers	SDKs, libraries, APIs	3rd party	YubiCloud OTP validation
<b>Certifications</b>	FIPS, CSPN, FIDO			
<b>Software features</b>	<b>Driverless OTP</b> Yubico OTP, OATH	<b>Public Key</b> FIDO, WebAuthn, PIV/Smart Card, OpenPGP	<b>Yubico Authenticator</b> for desktop and mobile	<b>HSM SDK</b>
<b>Hardware form factors</b>	 Authenticators			 HSM

# Protecting all users in the enterprise



## Privileged access

Secure privileged account users



## Mobile restricted

Secure call centers for mobile restricted users



## Shared workstation

Protect shared workstation users



## Remote workforce

Enable remote workforce



## Office workers

Improve UX and security for office workers



## 3rd party access

Protect corporate system access by 3rd parties




## End customers

Safeguard Yubico customers end customer

Land by addressing high security use cases

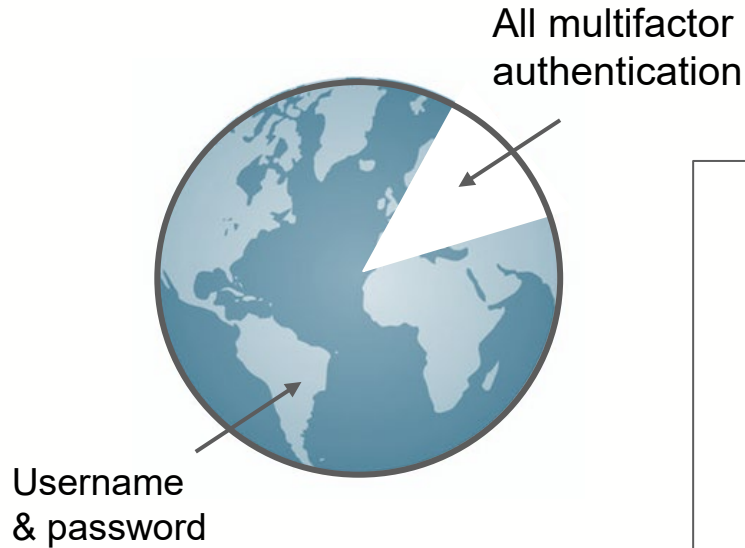
Expand to broader set of stakeholders

# Authentication options for different needs

Use case		YubiKey Yubico 	OTP Apps Various vendors	Smart Card Various vendors	Windows Hello Microsoft	FIDO built into iOS & Android Apple & Google
<b>Security</b>	“Phishing resistant” i.e. protects against MITM attacks	YES	No	YES	YES	Partial
	FIPS & CSPN high assurance certification	YES	No	YES	No	No
	Dedicated secure chips, firmware & supply chain	YES	Varies	Varies	Varies	Varies
<b>Usability</b>	No need to buy and distribute additional hardware	No	YES	No	YES	YES
	Works across the leading cloud & IAM services	YES	YES	No	No	YES
	Secure and affordable second device for recovery	YES	No	YES	No	No (2 devices)
	Not dependent on network connection	YES	Partial	YES	YES	Future
	Works across all computers & phones	YES	No	Partial	No	Future
	For shared workstations (retail, call centers, etc.)	YES	No	YES	No	No
	Multiple authentication protocols on one device	YES	No	No	Partial	Partial
<b>Privacy</b>	Not tied to a platform or third party	YES	No	YES	No	No

# Big untapped market

## Logins today for 5bn internet users



***“The multi-factor authentication market size is projected to grow from an estimated value of USD 12.9 Billion in 2022 to USD 26.7 Billion by 2027, at a Compound Annual Growth Rate of 15.6%”.***

Markets and Markets 25 Apr 2023

# Strong market momentum, in Q2 and beyond

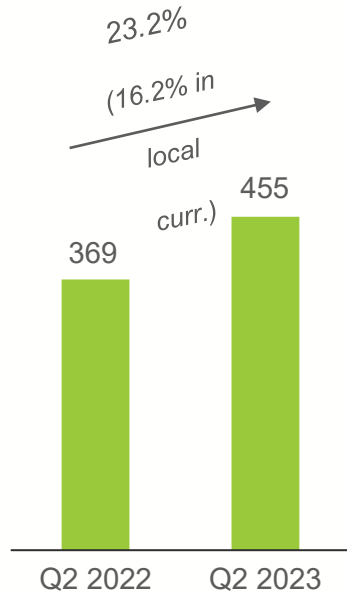
- **Increasing sophisticated cyber threats broadens Yubico's customer base**
  - Recent wins include Telecom & System Integrators
  - Increased eCom sales, supported by WSJ article
- **Increasing regulatory requirements drive adoption**
  - Invited as expert speakers to White House symposium
  - Invited to help shape next generation EU ID wallet
- **Enterprises adopting FIDO standards**
  - Yubico's new pre-reg service will simplify deployment and management, launched later this fall



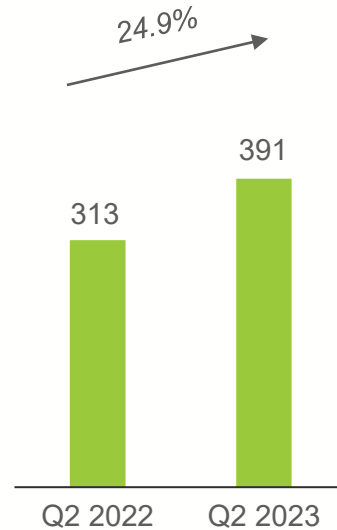


# Q2 2023 – Quarterly summary

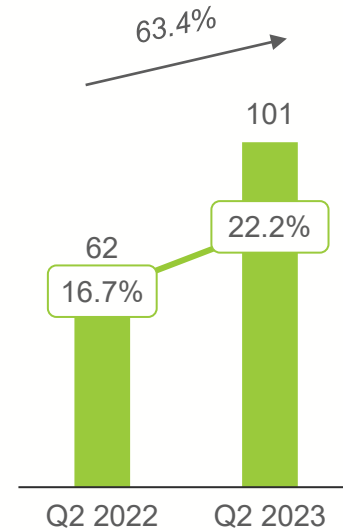
## Net sales (SEKm)



## Gross profit (SEKm)



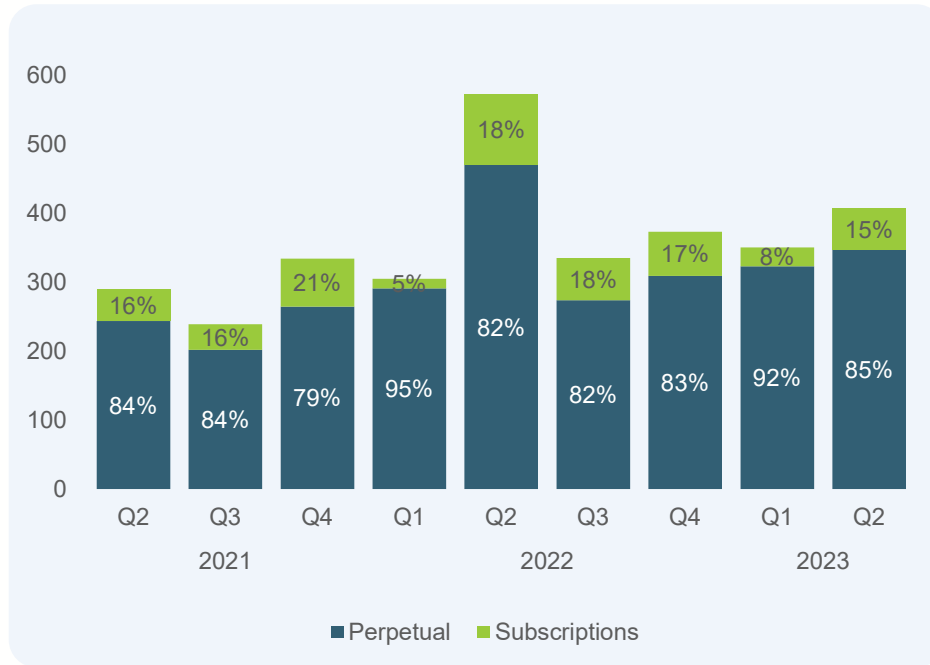
## EBIT (SEKm) and margin (%)



- **Subscription share of bookings**  
14.8 (17.9)%
- **Subscription share of net sales**  
13.7 (8.9)%
- **Gross margin**  
85.9 (84.7)%
- **ARR<sup>1</sup>**  
SEK 242.8 (156.2) million

# Bookings and subscription bookings

## Bookings and subscription bookings (SEKm)



## Comments

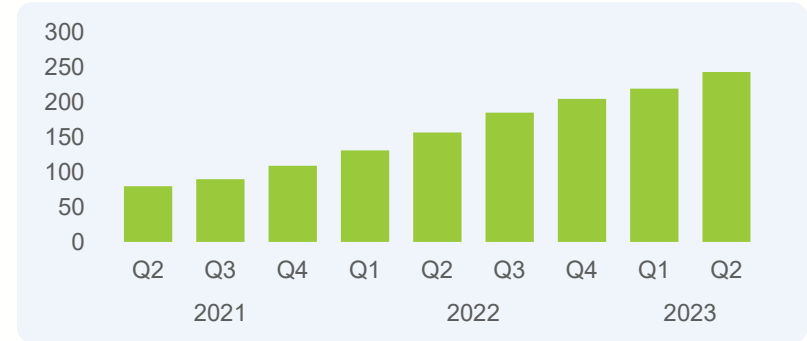
- Bookings decreased 29.0 percent in the quarter, to SEK 406.4 (572.1) million, corresponding to a decrease of 34.9 percent in local currencies
- Subscription bookings amounted to SEK 60.0 (102.3) million, corresponding to 14.8 percent (17.9) of bookings
- Bookings in 2022 included an extraordinarily large order from one customer, amounting to 39 percent of that quarter's bookings, while Q2 2023 did not include any extraordinarily large order

# Net sales and annual recurring revenue

## Net sales, quarterly and 12-months rolling (SEKm)



## ARR<sup>1</sup> (SEKm)

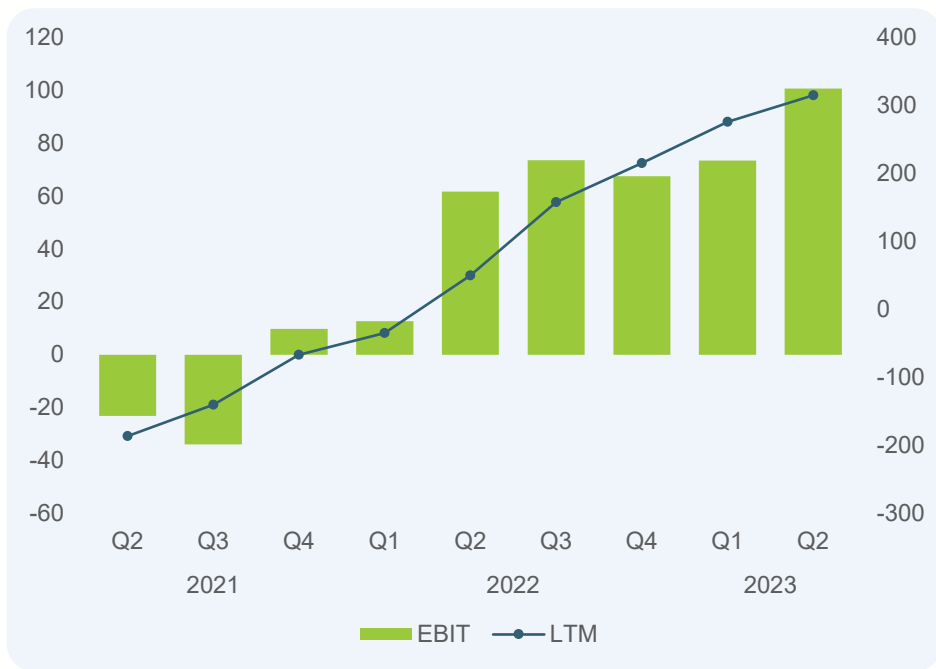


- Net sales increased 23.2 percent to SEK 454.6 (369.1) million, corresponding to an increase of 16.2 percent in local currencies and subscription sales represented 13.7 percent (8.9) of net sales
- All geographies are developing well, though Asia Pacific doubled net sales in Q2 compared to last year

- ARR increased 55.4 percent and amounted to SEK 242.8 (156.2) million at the end of the period
- Yubico added SEK 23.5 million of net new ARR in the quarter and SEK 38.2 million from December 31, 2022

# EBIT

## EBIT, quarterly and 12-months rolling (SEKm)



## Comments

- EBIT SEK 100.8 (61.7) million, corresponding to an EBIT margin of 22.2 percent (16.7)
- The increased profitability represents the effects of scaling the business, with a lower increase in operating costs
- Unrealized currency effects are a major part of Other operating income and Other operating expenses and are net affecting profit with SEK +13.1 (+26.4) million

# Cash flow and financial position

## Comments

- Operating cash flow SEK -27.1 (50.9) m in Q2
- Working capital growth of SEK -123.7 m, primarily related to inventory investments and growing net sales
- Inventory build up of SEK 185m in H1, corresponding to an increase of 76.8 percent
- Cash and cash equivalents at the end of the period SEK 416.0 (260.4) million
- Net cash at the end of the period SEK 370.5 (201.9) million

## Inventory and % of net sales



# Well positioned for continues growth

- Our business is performing well, in line with our guidance
- Strong gross margin of 86% and profitability of 22%
- Broadened customer base and healthy sales pipeline
- New product and business development initiatives will further accelerate adoption
- Cyber security has never been more important



# Merger timeline

- **Sept 12:** Company description is published
- **Sept 19 (tentatively):** Last day of trading in ACQ Bure on Nasdaq Stockholm
- **Sept 20 (tentatively):** Completion of the transaction
  - First day of trading in the combined company's shares on Nasdaq First North Growth Market
  - Nasdaq ticker will be **Yubi**



# Q&A





# Strong management team and organization setup

Highly experienced management team with deep industry knowledge...

...and an organization set up for growth<sup>1</sup>



**Mattias Danielsson**  
Chief Executive Officer



**Camilla Öberg**  
Chief Financial Officer



**Stina Ehrensvärd**  
Chief Evangelist & Co-Founder



**Jakob Ehrensvärd**  
Chief Innovation Officer & Co-Founder



**Jerrod Chong**  
President & Chief Operating Officer



**Ronnie Manning**  
Chief Marketing Officer



**Emanuela Todaro**  
Chief People Officer



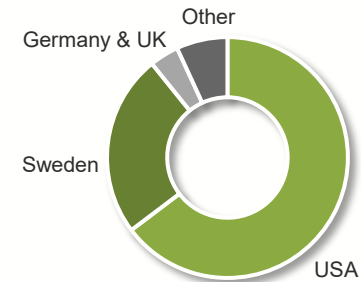
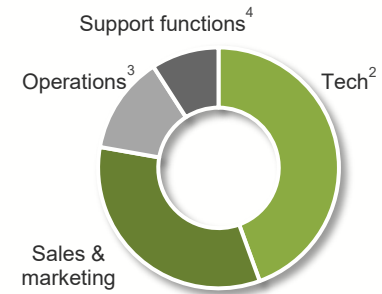
**Henrik Lejdebörn**  
General Counsel



**Christopher Harrell**  
Chief Technology Officer



**Hung Truong**  
Chief Engineering Officer



# Sustainability



**From a societal perspective**, IT security is essential to ensure safe communication and to protect customers, citizens and, by extension, democracies

**From an environmental perspective**, we develop products that enables and secures remote workforce and communication, which reduces travel and related climate impact

**Sustainability focus is based on the value chain and materiality analysis from 2021 which identified five key areas:**

- 1 Minimize environmental impact** reviewing manufacturing process and following directives for waste management
- 2 Secure human rights** through Yubico's secure It Forward program
- 3 Continue to support a diverse team**
- 4 Protect critical IT infrastructure:** Continuing innovation to ensure resilient infrastructure
- 5 Ensure high ethical standards:** Code of conduct internally and externally



**Thanks**