

yubico

Yubico  
—  
Annual Report  
2024

24

Making the internet safer  
for everyone

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■ The Board of Directors and the CEO of Yubico AB, business registration number 559278-6668, domiciled in Stockholm, hereby submit the Annual Report for the financial year 2024 for the Parent Company and Group, which consists of the Directors' Report on pages 3–4, 6–7, 14–22 and 31–41 and the financial statements and notes on pages 44–69.

■ Pages 25–30 in this report constitute Yubico's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act. This report relates to the financial year 2024.

## Financial calendar

Interim Report Q1, 2025	May 13, 2025
2025 Annual General Meeting	May 13, 2025
Interim Report Q2, 2025	August 14, 2025
Interim Report Q3, 2025	November 12, 2025
2025 Year-End Report	February 12, 2026

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The Swedish version of this Annual Report is the original and has been audited by Yubico's auditors.

# Protect the digital you

# About Yubico

## Authentication making the internet safer

Yubico is a cybersecurity company specializing in secure authentication and identification solutions. Yubico’s solutions are used by individuals, businesses, and organizations worldwide to protect against various types of cyberattacks such as phishing and account takeovers.

### YubiKey – the solution to the biggest cybersecurity problem

Through Yubico’s core product and invention, the YubiKey, we offer a solution to the most common cybersecurity problem – stolen credentials. Such theft causes 8 out of 10 cybersecurity intrusions, often through phishing attacks.<sup>1</sup> YubiKey is a physical security key for multifactor authentication (MFA) that ensures that only authorized users can access sensitive accounts and systems, both within social media and cloud services, as well as within corporate and government networks and developer environments.

YubiKeys are currently used by thousands of companies and millions of individuals in over 160 countries. Amazon, Google and Microsoft are some examples of major customers, and Yubico’s customer base includes 19 of the top 20 tech companies in the U.S.

### Key role in fast-growing market

The demand for YubiKeys and other cybersecurity solutions is driven by global trends such as increasing cyberattacks, the digital transformation and migration to cloud services, and regulations.

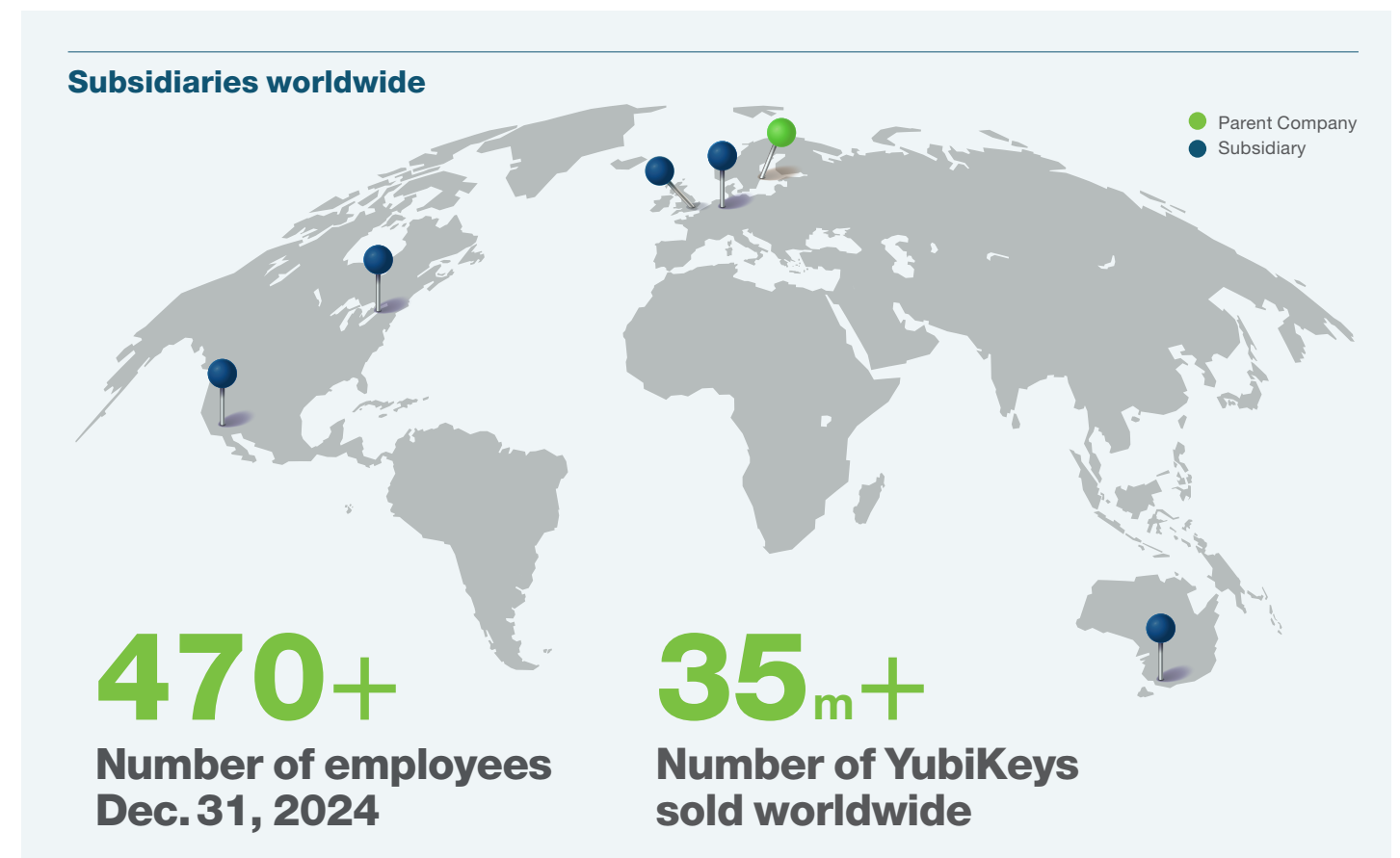
Since 2020, Yubico’s compound annual growth rate (CAGR) has been 40 percent. Yubico’s strategy is to grow its global presence, simplify adoption, and evolve innovative solutions to strengthen market coverage and drive increased usage across its installed base.

We offer YubiKeys with two business models, a perpetual model with a perpetual license and a subscription model, more known as YubiKey as a service. No account protected by YubiKeys is known to have been breached.

### Developer of global IT security standard

Innovation and development play a central role in Yubico’s business. As a result, our solutions are the leading standard for modern phishing-resistant multifactor authentication for secure access to computers, mobile devices, servers, browsers and internet accounts. Yubico is the creator and contributor to the development of the open authentication standards FIDO2, WebAuthn, and FIDO Universal 2nd Factor (U2F). YubiKey is thus compatible with a wide range of protocols.

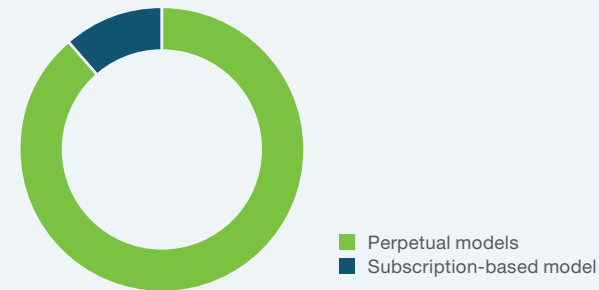
1) Tessian, Psychology of Human Error, 2020; CISO-MAG, “Psychology of Human Error” Could Help Businesses Prevent Security Breaches, 2020



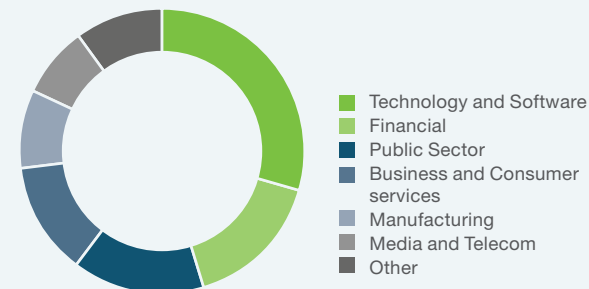
## About Yubico *cont.*

Yubico was founded in 2007 by Stina and Jacob Ehrensvärd with the vision of enabling a single, simple and secure authentication method to all relevant systems. By December 31 2024 Yubico had around 470 employees and offices for central functions and programming in both Stockholm, Sweden, and Santa Clara, California. In addition, there are a number of sales and support offices in Yubico's main markets. Production is mainly in Sweden but also in the United States. The Yubico share was introduced on Nasdaq First North Growth Market in Stockholm on September 20, 2023, and changed listings to Nasdaq Stockholm on December 5, 2024.

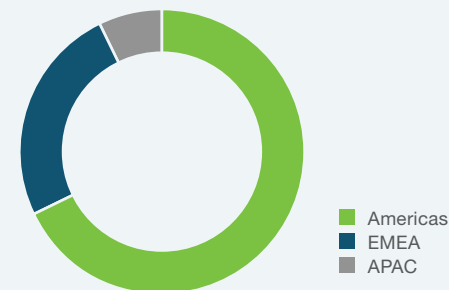
### Net sales by business model



### Bookings by segment



### Net sales by region

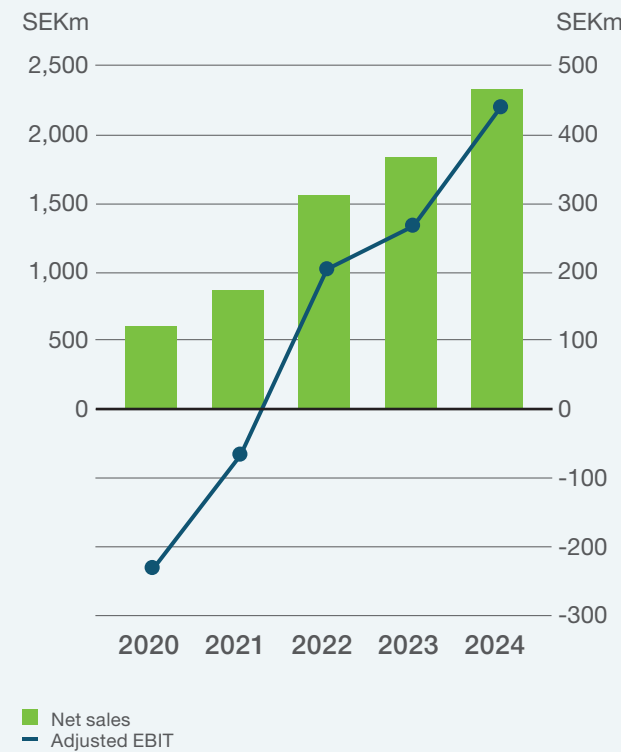


### Yubico's product portfolio

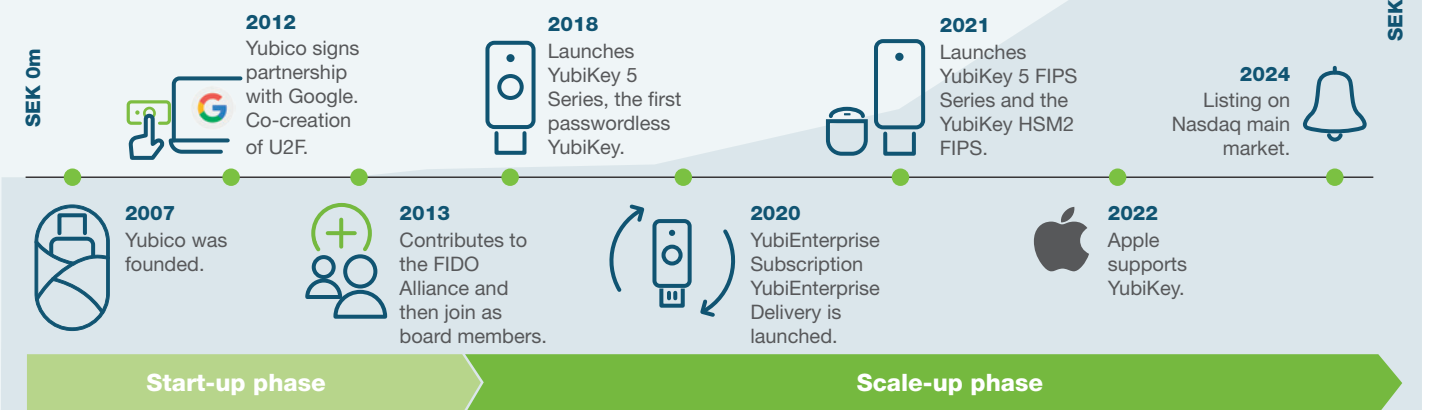
Yubico's main product portfolio includes a variety of product families, from the YubiKey 5 series to the YubiKey 5 FIPS series, the security key series and the YubiKey Bio series for biometric authentication and the small YubiHSM, which is the world's smallest hardware security module. See more information on each YubiKey on page 20 in this report.



### Net sales SEK 2,326m Adjusted EBIT SEK 438m



### Yubico's journey started in 2007 in Sweden



# 2024 in brief

## Strengthened position

### EU identity project launched

The European Digital Identity Framework (EUDI), launched in May 2024, is an initiative whereby all Member States will offer at least one version of the EU Digital Identity Wallet by 2026, based on common specifications. Yubico is one of the companies working on developing solutions for the digital identity of the future. Yubico has been selected to actively contribute to Germany's ID project, led by SPRIND, with the aim of prototyping a universal EUID.

### T-Mobile enhances security with Yubico

T-Mobile worked with Yubico to deploy YubiKeys across its operations in late 2023. T-Mobile completed its rollout in under three months once it had its Yubikeys in hand and has seen positive results over the last year. Embracing phishing-resistant, hardware-based authentication is an important step in further securing T-Mobile's work systems and information amidst the growing escalation of cyber threats, stopping unauthorized credential use by bad actors.



### Time Magazine names Yubico one of the world's 100 most influential companies

In May 2024, Yubico was named one of Time Magazine's 100 most influential companies in the world. The award is a testament to Yubico's hard work and the support of our global network in the mission to make the internet safer.

### Introducing YubiKey 5.7

In May 2024, Yubico successfully launched YubiKey firmware version 5.7, which is specifically designed to meet the needs of businesses, including enhanced features for increased PIN complexity, corporate authentication, and expanded key data storage. These improvements allow organizations to implement password-less authentication from the start, creating user accounts that are resistant to phishing globally.

### Collaborative project with Okta and Microsoft

Yubico has launched the Yubico Enrollment Suite for seamless onboarding of Microsoft users. The solution integrates with Microsoft Entra ID, simplifying onboarding, authentication, and account management.

As part of its collaboration with Microsoft and Okta, Yubico is now expanding FIDO pre-registration features previously introduced with Okta. This makes it easier for companies within the Microsoft ecosystem to deliver and register YubiKeys.

### Yubico moves to Nasdaq's main market

On December 5, 2024, Yubico made the move to Nasdaq Stockholm's main market, from First North Growth Market, a milestone in the Company's growth journey. The change of listing strengthens our position as a global leader in cybersecurity and opens up new opportunities to broaden the investor base, attract new partners, and provide a quality stamp that benefits the relationship with customers and stakeholders. The share is traded in the Large Cap segment with an unchanged ticker and ISIN code. Yubico had its first day of trading on September 20, 2023, under the ticker YUBICO.

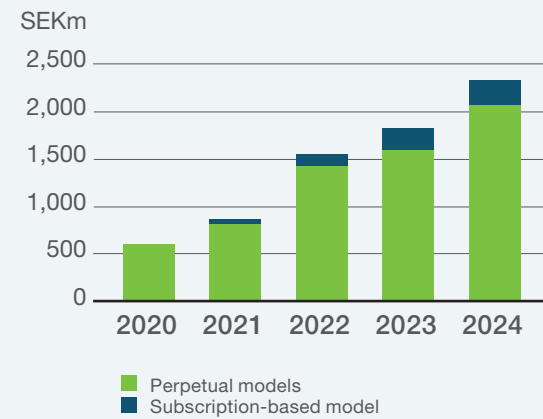
### PKO Bank Polski enables use of YubiKeys to its 12 million customers

PKO Bank Polski, Poland's largest bank, announced in October 2024 that it will enable its 12 million customers to use YubiKeys for secure authentication when logging in to e-banking services. PKO Bank Polski is at the forefront of enabling YubiKeys to protect its customers.

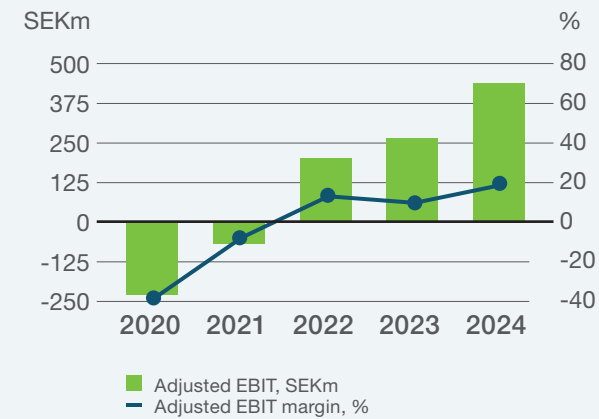


2024 in brief *cont.*

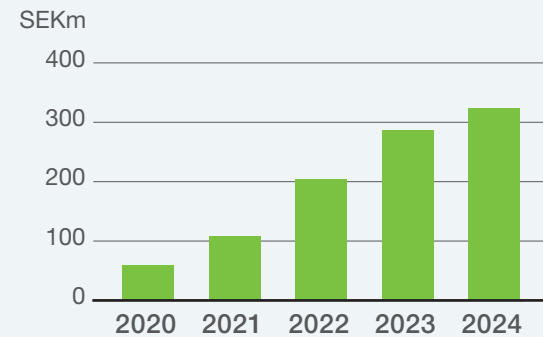
**Net sales by business model**



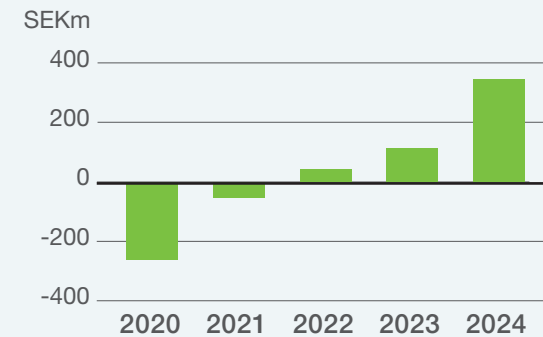
**Adj. EBIT and adj. EBIT margin**



**Annual recurring revenue, ARR**



**Operating cashflow**



**Five-year overview**

Group	2024	2023	2022	2021	2020
Net sales	2,326.2	1,827.3	1,551.2	867.2	606.1
Whereof subscription sales	261.9	238.2	131.3	58.0	6.5
Whereof subscription sales, %	11.3	12.9	8.5	6.7	1.1
Gross profit 2022–2024	1,897.5	1,458.6	1,197.2		
Gross margin, 2022–2024 %	81.6	79.8	77.2		
Adjusted EBIT	437.5	266.2	203.4	-67.0	-230.4
Adjusted EBIT margin, %	18.8	14.6	13.1	-7.7	-38.0
EBIT	437.5	179.1	203.4	-67.0	-230.4
EBIT margin, %	18.8	9.8	13.1	-7.7	-38.0
Net profit/loss	371.7	130.6	244.5	-60.3	-237.2
Earnings per share, before dilution, SEK	4.32	2.19	5.00		
Earnings per share, after dilution, SEK	4.20	2.19	4.80		
Operating cashflow	343.8	114.1	43.3	-53.3	-260.1
Net cash	787.6	473.3	179.9	264.5	317.8
Total Assets	2,209.0	1,480.7	1,163.3	735.9	755.5
Equity ratio	70.9	75.8	62.4	59.2	62.3
Order bookings	2,632.6	1,840.0	1,584.2	1,041.1	831.0
Whereof subscription bookings	481.6	274.1	241.7	176.3	182.2
Whereof subscription bookings, %	18.3	14.9	15.3	16.9	21.9
ARR	324.1	286.5	204.7	109.0	61.0
Average number of employees	456	408	366	290	277

For 2020 and 2021, the comparative figures have not been restated with regard to the transition to IFRS and the functional income statement. Gross profit and gross margin are assessed to be significantly affected, which is why the data is not presented for 2020 and 2021. The number of shares has not been restated in connection with the merger with ACQ Bure, which is why earnings per share are not presented for 2020 and 2021.

**27%**  
Increase in net sales

**30%**  
Increase in gross profit

**13%**  
Increase in ARR

**43%**  
Increase in orders

**201%**  
Increase in operating cash flow

# CEO comments

## A year of growth and innovation

2024 has been a year of growth and innovation for Yubico. Together, we have navigated a dynamic cybersecurity landscape, achieving significant milestones that affirm our leadership in providing phishing-resistant authentication solutions. Our journey this year is demonstrated not only by strong financial performance but also meaningful strides toward our long-term vision, a safer internet for all. By leveraging strategic initiatives, expanding into new markets, and cultivating strategic partnerships, Yubico has solidified its position as a global leader in identity security. I am pleased to share highlights from 2024 and aspirations for the future.

### Performance highlights from the year

This year, Yubico delivered great results across key financial and operational metrics. Order bookings remained a cornerstone of our success, growing by 43 percent to SEK 2,633 m and underscoring the continued demand for our solutions. Net sales grew by a 27 percent year-over-year, reaching SEK 2,326 million. Our gross margin remained solid at 81.6 percent which also supported a robust EBIT margin of 18.8 percent. Growth was driven by a diverse customer base spanning various industries and geographies, with continued strong demand from the technology, financial and public sectors. Most of our growth continues to come from our existing customers that expand the internal usage of our YubiKeys. Our ARR demonstrated steady growth, ending the year at SEK 324 million, an increase of 13 percent from the previous year. Renewals from key clients played a critical role in this achievement.

### Accelerating growth amid growing cybersecurity threats

In 2024, cybersecurity threats evolved at an unprecedented pace, with emerging trends like AI-powered attacks reshaping the risk landscape. These challenges underscored the urgency of our vision and strengthened our mission to drive innovation and adaptability in our product. Over the course of the year, Yubico continued to expand its impact globally, broadening our reach beyond the high tech sector into critical sectors like the public sector, the financial sector and the telecom sector.

The financial sector has long been a focus for our B2B2C growth strategy, and this year we entered into a partnership with PKO Bank, Poland's largest financial institution, enabling its 12 million customers to securely access their accounts with YubiKey authentication. This collaboration highlights the growing need for robust security solutions in the financial services industry and solidifies Yubico's reputation as a reliable provider of strong authentication.

I would also like to highlight our collaboration with T-Mobile, helping the company deploy YubiKeys across its operations in late 2023. With Yubico's FIDO2 security keys, T-Mobile's teams no longer have to change or remember passwords and codes.

The growth in the financial sector and in the telecom sector represents more than technological achievements—it affirms our role in shaping the future of secure, seamless authentication in industries that are critical to society. We continue to explore additional high-growth sectors like healthcare and government. We also witnessed growing momentum in EMEA and APAC which now represent 25 percent of net sales and 7 percent of sales, where markets like Germany, the UK, France and Singapore made significant strides, steadily narrowing the gap with the U.S.



**“Our journey this year is demonstrated not only by strong financial performance but also meaningful strides toward our long-term vision, a safer internet for all.”**

## CEO comments *cont.*



Nasdaq main market change  
on December 5, 2024

### Pursuit of innovation

Central to our progress was our focus on advancing security solutions to meet the evolving needs of our customers. This commitment was exemplified by the launch of the YubiKey 5.7 firmware, a significant innovation designed to support modern enterprise requirements. With enhancements such as advanced PIN complexity, enterprise attestation, and expanded passkey credential storage, this update reflects our ongoing effort to set new standards for simplicity, scalability, and security. Perhaps most importantly, the integration of our proprietary cryptographic library strengthens the security architecture of the YubiKey, ensuring we continue to offer solutions that inspire trust in an increasingly complex digital environment.

Driving innovation and enhancing user experience remained a cornerstone of our strategy in 2024.

Through strategic partnerships with industry leaders like Okta and Microsoft, we facilitated the adoption of passwordless solutions, enabling organizations to transition effortlessly to modern authentication systems. These enable organizations to focus on their core while we simplify security for users worldwide. By reducing IT complexity and creating seamless experiences for end-users, we continue to deliver on our promise of making secure authentication accessible to all.

### Ending 2024 with a listing on Nasdaq

This year we also proudly fulfilled an important commitment made when we went public in 2023: within 18 months, we would transition from First North to Nasdaq's Main Market. In December, we successfully achieved this milestone, a testament to our growth, maturity, and readiness to compete at the highest level. This move opens up new opportunities to expand our investor base, attract new partners, and enhance our reputation with customers and stakeholders.

### Looking ahead

As we enter 2025, Yubico remains steadfast in its vision to make the internet safer for everyone. Our mission until 2024 was to create a standard for phishing-resistant authentication. This mission is accomplished. For the period until 2030 our ambition has evolved to where we not only want to protect the authentication for login, but also protect the user during their digital lifecycle. With the growing global emphasis on cybersecurity, Yubico is uniquely positioned to drive meaningful change in how organizations and individuals protect their identities. Our three strategic areas are now to Expand, Simplify and Evolve:

- **Expand market coverage and increase usage in installed base**

Yubico aims to extend its presence across key regions, strengthening its position as a global leader in identity security. By refining our market strategies in Asia, Europe, the Middle East, and the Americas, we will establish a scalable and efficient distribution model. To achieve this, we are strengthening collaboration with selected channel partners, establishing a two-tier model that aligns with local and multinational needs. This targeted approach ensures we can efficiently deliver YubiKeys to customers worldwide, meeting the unique demands of each region.

Customer success and retention are central to our strategy. By tailoring solutions to high-potential

industries like financial services, public sector, and telecom, we aim to strengthen relationships and foster loyalty.

- **Simplify – becoming an “everywhere” solution**

We are committed to making YubiKeys as easy to adopt as software by simplifying the user experience and optimizing delivery and onboarding. Our subscription model, YubiKey as a Service model, will further support this by offering organizations a seamless way to deploy and manage YubiKeys at scale, reducing upfront costs and improving accessibility. This focus will ensure YubiKeys are easily accessible, whether through direct sales or strategic partnerships with distributors. By streamlining delivery from order to employee, we aim to lower adoption barriers, while strategic partnerships with technology providers and system integrators will expand our global reach and meet the evolving needs of the market. Innovations like Yubico's Enrollment Suite with Okta and Microsoft will support to drive the simplification of adaptation as well.

- **Evolve solutions and market focus**

Exploring new markets and adjacent opportunities is key to our strategy as digital identity becomes increasingly integrated into daily life. Yubico is uniquely positioned to deliver scalable solutions that meet diverse customer needs. Emerging areas such as digital wallets, identity verification, and identity governance offer significant growth potential. Our involvement in the European Digital Identity (EUDI) Wallet initiative, for example, highlights how YubiKeys can enhance digital credential management.

### Closing remarks

As we reflect on a successful 2024, I am filled with optimism about Yubico's trajectory. Our achievements this year are a testament to the hard work and dedication of our team, the trust of our customers, and the unwavering support of our stakeholders. Together, we are building a safer digital world.

**Mattias Danielsson, CEO**

# Five good reasons to invest and some supporting figures

With advanced solutions for secure authentication and identification, Yubico is at the forefront of the cybersecurity industry. Our solutions have established themselves as the industry standard in advanced authentication. We are well positioned to benefit from the growing demand for reliable identity and access management in an increasingly digitalized and cybercrime-prone world.



## 1

### Attractive market trends support long-term growth opportunity

Yubico operates in the Advanced Authentication market, a submarket of Identification and Access Management (IAM), whose global market size in 2024 was estimated to be USD 5.2 billion.<sup>1</sup> The advanced authentication market is expected to continue to grow by approximately 13.6 percent per year until 2027. The surge is driven by escalating cyber threats, geopolitical instability, regulatory demands, and the shift to advanced authentication in the workforce. We are well positioned to meet this increase in demand.

### Advanced Authentication market annual growth expectancy 2021–2027

**14%**

1) IDC, Market Insights on Advanced Authentication, 2023.

## 2

### Compelling value proposition and clear competitive advantages

Yubico’s authentication solutions provide high security through physical phishing-resistant MFA and have been demonstrated at scale. YubiKeys have a strong track record of zero successful known hacking attempts, to date. Additionally, our high-quality hardware and firmware rely on a global secure supply chain that we fully control. Our products are backed by an extensive service package including flexible support, personalization services, and partners for ease of deployment, which makes our offering hard to replicate.

### Number of known account takeovers with YubiKeys

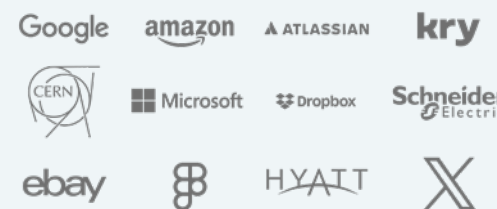
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## 3

### Trusted by global market leaders – creating a market standard for cybersecurity

We have a customer base spanning across several sectors, and clients include some of the largest global technology companies as well as governmental agencies. As a result of our strategic partnerships with global market leaders, our solution is considered a standard in advanced authentication. This positions us as a key player in shaping industry-wide cybersecurity practices. This also underlines our central role in setting new standards in different verticals. Yubico is actively working to help U.S. and EU regulators set up policies and legislation that promote cybersecurity in an efficient way.

### A broad portfolio of customers

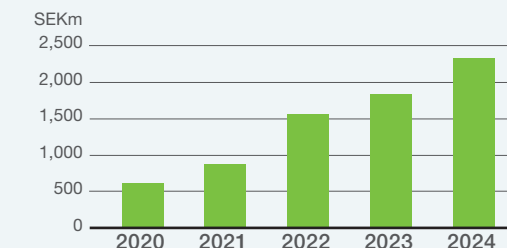


## 4

### Strong financial characteristics with an exceptional organic growth

Over the years, Yubico has shown strong net sales development, with a CAGR of 40 percent per year between 2020 and 2024. We have also had a stable gross margin of around 80 percent since 2020 and shown a positive EBIT. In 2024, net sales increased by 27 percent compared to 2023, and the adjusted EBIT margin amounted to 18.8 percent, compared to 15 percent the year before. The subscription-based model increased its share to 18 percent of bookings in 2024, and it is expected to continue to increase going forward, creating a growing stream of recurring revenue.

### Rapid organic growth



## 5

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

Our growth strategy centers on leveraging our key strengths, including a global blue-chip 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. We also aim to enhance customer loyalty and retention by expanding its subscription offerings to both new and existing clients.

### Share of subscription

**18%**

### ARR growth

**13%**

# Market and drivers

## Cyberthreats drive the need for protection

**The Identity and Access Management (IAM) market is a rapidly growing sector in IT security. This growth is driven by the increasing need to protect both corporate and individual data from unauthorized access and by changing user patterns.**

### A global market with strong growth

IAM is growing steadily and is one of the cornerstones of cybersecurity. IAM is about ensuring that the right users get the right access to the right resources at the right time, which is crucial in an era of increasingly sophisticated cyber threats and increased digitization. The global IAM market was valued at USD 22.6 billion in 2024 and is expected to grow at an annual growth rate of 17.5 percent until 2027.<sup>1</sup> This growth is driven by the increasing need for businesses and governments to protect sensitive data, improve regulatory compliance, and offer a seamless user experience.

### Cyberthreats drive the need for IAM

Cybersecurity is a business-critical area. Phishing attacks and social engineering are increasingly used to steal identities and bypass basic security measures. Hackers are using increasingly sophisticated methods to exploit weaknesses in traditional protections such as firewalls and text-based authentication solutions. The cost of cybercrime is estimated at over USD 100 billion annually, and 93 percent of cybersecurity experts believe a major cyber event is likely within two years.<sup>2</sup> To address these threats, companies are implementing robust IAM solutions that offer multifactor authentication (MFA), biometric authentications, and adaptive access controls.

### Increased regulatory requirements and compliance

Regulations and compliance are also strong drivers of the IAM market. Initiatives such as the White House decree that federal agencies must use phishing-resistant MFA and guidelines from organizations such as the Federal Financial Institutions Examination Council (FFIEC) are forcing companies to adapt their systems. Failure to comply with these requirements can lead to heavy fines and significant reputational damage, making IAM a strategic investment. Yubico is seeing increasing interest from the public and financial sectors, which are among our fastest-growing industries alongside the high-tech sector, with continued demand in both the U.S. and Europe.

### Changing work and user patterns

In addition to cybersecurity requirements, changing work and user patterns are also driving the market. Digital identities, cloud services, mobile devices, and remote working create a complex IT environment that requires advanced IAM solutions. Businesses are now looking for solutions that not only ensure high security but also offer a smooth and password-free login experience. This shift is driving the development of IAM platforms that integrate with user behavior analytics and Zero Trust models, where no access is granted without strict verification.

<sup>1</sup> IDC, Market Insights on Advanced Authentication, 2023.

<sup>2</sup> Estimate based on the number of incidents and average cost, sourced from IBM Security, X-Force Threat Intelligence Index, 2022; Ponemon Institute and IBM Security, Cost of a Data Breach Report, 2022; Verizon, Data Breach Investigations Report, 2022.



**To respond to cyber threats, companies are implementing robust IAM solutions that ensure the right users have the right access to the right resources at the right time.**

### The role of Advanced Authentication in cybersecurity

Advanced Authentication (AA) is a key part of the broader Identity and Access Management (IAM) sector, which focuses on ensuring that the right people have the right access to the right resources at the right time. IAM plays a crucial role in cybersecurity by combining authentication, access control, and monitoring to protect sensitive data and systems. In this context, the AA offers a reinforced level of security by verifying users' identity using multifactor authentication (MFA), biometric solutions, and hardware-based keys.

### Combatting cyber threats with AA

As cyber threats become increasingly sophisticated, AA plays a crucial role in protecting businesses and users. Cybercriminals use tactics like phishing and credential theft to bypass traditional security measures. AA solutions mitigate these risks by adding multiple layers of protection. Recognizing the growing threat landscape, the White House has mandated

that federal agencies implement phishing-resistant MFA as part of its cybersecurity strategy. CISA<sup>1</sup>, as the lead cybersecurity authority, enforces this directive by promoting the use of strong authentication methods and has recommended Yubico as a trusted provider of hardware-based FIDO security keys.

### IAM subsegments, beyond advanced authentication:

Alongside Advanced Authentication, the IAM market can be divided into the following segments:

- **Customer Identity and Access Management (CIAM)**
- **Identity management** of users' changing roles throughout the identity lifecycle.
- **Identity Management** of functions such as identity domain controllers, single sign-on (SSO), and user tracking within organizational settings.
- **Legacy solutions**, a segment that consists of older identity management solutions and provides essential support for organizations with older infrastructure.

- **Privileged Access Management (PAM)**, a solution that tracks and monitors the activities of privileged users and offers advanced technologies such as password vaults and just-in-time credentials.

### A growing market with global significance

The global AA market was valued at USD 5.2 billion in 2024 and is expected to grow at an annual growth rate of 13.7 percent until 2027.<sup>2</sup> This growth is driven by a combination of increasing cyber threats, regulatory requirements, and the need to improve user experiences. North America and Europe are leading regions in the market, but APAC is growing rapidly thanks to digitalization and increased investment in cybersecurity.

### Defining technologies in AA

The AA market covers a wide range of technologies that strengthen security against cyber threats. Security keys, such as those from Yubico, are prominent tools in this area. These hardware-based keys comply with the FIDO2 standard and offer phishing-resistant authentication through cryptographic keys. This type of authentication is both user-friendly and offers a high level of security.

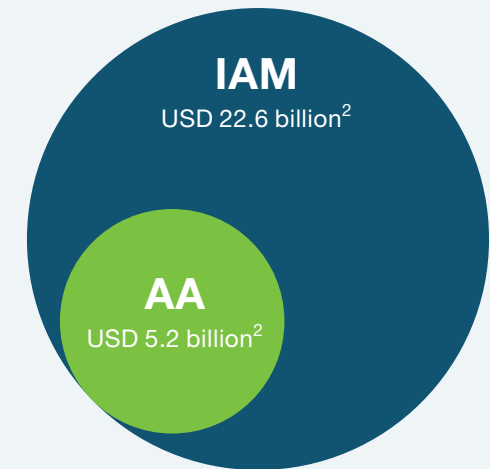
### Key Technologies in AA include:

- **Security keys (passkeys like e.g. YubiKeys):** Can be physical or cloud-based. Password-free solutions that are user-friendly and secure.
- **Smart cards:** Chip-based authentication solutions used for secure access to systems.
- **Biometric authentication:** Technologies like fingerprint recognition and facial recognition.
- **Software-based MFA:** Apps and tools for one-time passwords (OTP) and adaptive authentication.

This breadth of technologies allows organizations to tailor their authentication solutions to specific needs and security requirements.

1) CISA. (2024). Guidance on Mobile Communications Best Practices. U.S. Cybersecurity and Infrastructure Security Agency.  
2) IDC, Market Insights on Advanced Authentication, 2023.

**Total value of the IAM market is USD 22.6 billion, of which the AA amounts to USD 5.2 billion<sup>2</sup>**



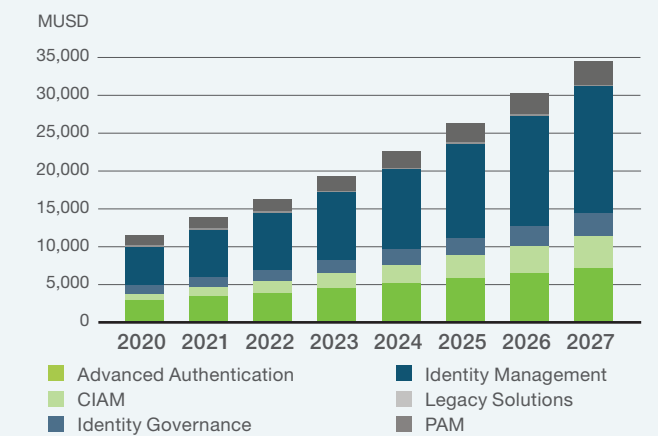
Yubico operates in the market for advanced authentication, which is a submarket of identity and access management (IAM) market. IAM is expected to grow annually by 17.5 percent until 2027.<sup>2</sup>

## Physical multifactor authentication (MFA) offers highest level of security

Single-factor authentication, like username and password, is vulnerable to cyber threats. Basic multifactor authentication (MFA), such as receiving a PIN via text or using an authenticator app, offers improved security but remains susceptible to phishing and Man-in-the-Middle (MITM) attacks. MITM attacks involve intercepting digital conversations in order to steal credentials. Physical MFA solutions, like the YubiKey, offer the highest level of security and mitigate these risks by requiring a security key combined with a PIN or biometric input, providing strong protection against unauthorized access.



### Global IAM and AA market development 2020–2027<sup>2</sup>



**Yubico’s market position and key differentiators in the AA market**

Yubico stands out in the AA market through a combination of innovation, security, and industry leadership.

**Key differentiating factors**

• **Industry leadership in open standards**

Yubico has played a pivotal role in shaping the authentication landscape by pioneering the FIDO/ WebAuthn standards and collaborating closely with major industry players such as Microsoft and Google ensuring seamless integration with major cloud services, platforms, and browsers.



• **Best-in-class security with hardware-based authentication**

YubiKeys provide phishing-resistant authentication through hardware-based security keys with built-in, non-updatable firmware—offering the highest level of security while being user friendly.

• **Broad compatibility across ecosystems**

YubiKeys support a wide range of security protocols and more than 1,000 applications, making them compatible with both modern and legacy systems, including Windows, macOS, Linux, and enterprise solutions like Google, Microsoft, AWS, and Okta.

• **Unparalleled durability and reliability**

Designed with a hermetically sealed monoblock construction, YubiKeys are water- and crush-resistant. The proprietary injection molding process ensures exceptional durability, while high-grade electrical contacts enhance longevity.

• **Secure manufacturing and full customer control**

All Yubico products are manufactured in Sweden and the US under strict security protocols. The company maintains a robust supply chain assurance process, ensuring that no cryptographic secrets are stored during production—giving customers full control over their security credentials.

• **Enterprise subscription offering for seamless deployment and management**

Yubico’s subscription offering is designed specifically for enterprises, providing comprehensive support in identifying the right security keys for their needs. This service ensures the correct keys are delivered, implemented, and managed efficiently simplifying deployment at scale while offering ongoing support and updates.

By combining these key advantages, Yubico has positioned itself as a trusted leader in the authentication industry, delivering unmatched security, reliability, and ease of use to businesses and individuals worldwide.

**Players in Advanced Authentication (AA)**

**Category**

**Examples of actors**

**Description**

**Hardware-based solutions**

Strong on security and resilience to cyber threats, widely used in critical and regulated environments.

- Yubico
- Feitian Technologies
- Nitrokey
- Thetis
- Kensington
- Google

Focus on security keys and tokens that adhere to standards such as FIDO2 for robust phishing resistance.

**Software-based solutions**

Flexible and integrated with cloud services; suitable for remote working and organizations with a high user focus.

- Microsoft
- Google
- Okta
- Duo, Auth0 (part of Okta)
- Fortinet,
- Ping Identity

MFA apps, biometric authentication and passkeys for flexible and user-friendly security.

**Smart card-based solutions**

Traditional and reliable options, common in the banking, insurance and government sectors.

- Thales
- RSA Security
- HID Global
- OneSpan
- Gemalto

Smart card solutions and related technologies, usually for secure access in regulated sectors.

**New cybersecurity initiatives.**

Cybersecurity is rapidly evolving and becoming more widespread at a global level as a result of technological developments. These developments are reflected in a number of cross-cutting cybersecurity initiatives, such as:

- **U.S. National Cybersecurity Strategy** are increasing regulatory pressure on organizations to strengthen their protection. This drives the need for proven products like Yubico’s Security Keys, as businesses strive to meet ever-increasing demands for multifactor authentication and data protection.
- **The Federal Financial Institutions Examination Council (FFIEC)**, a U.S. agency made up of five banking regulators, recommends strong authentication methods such as MFA solutions that use

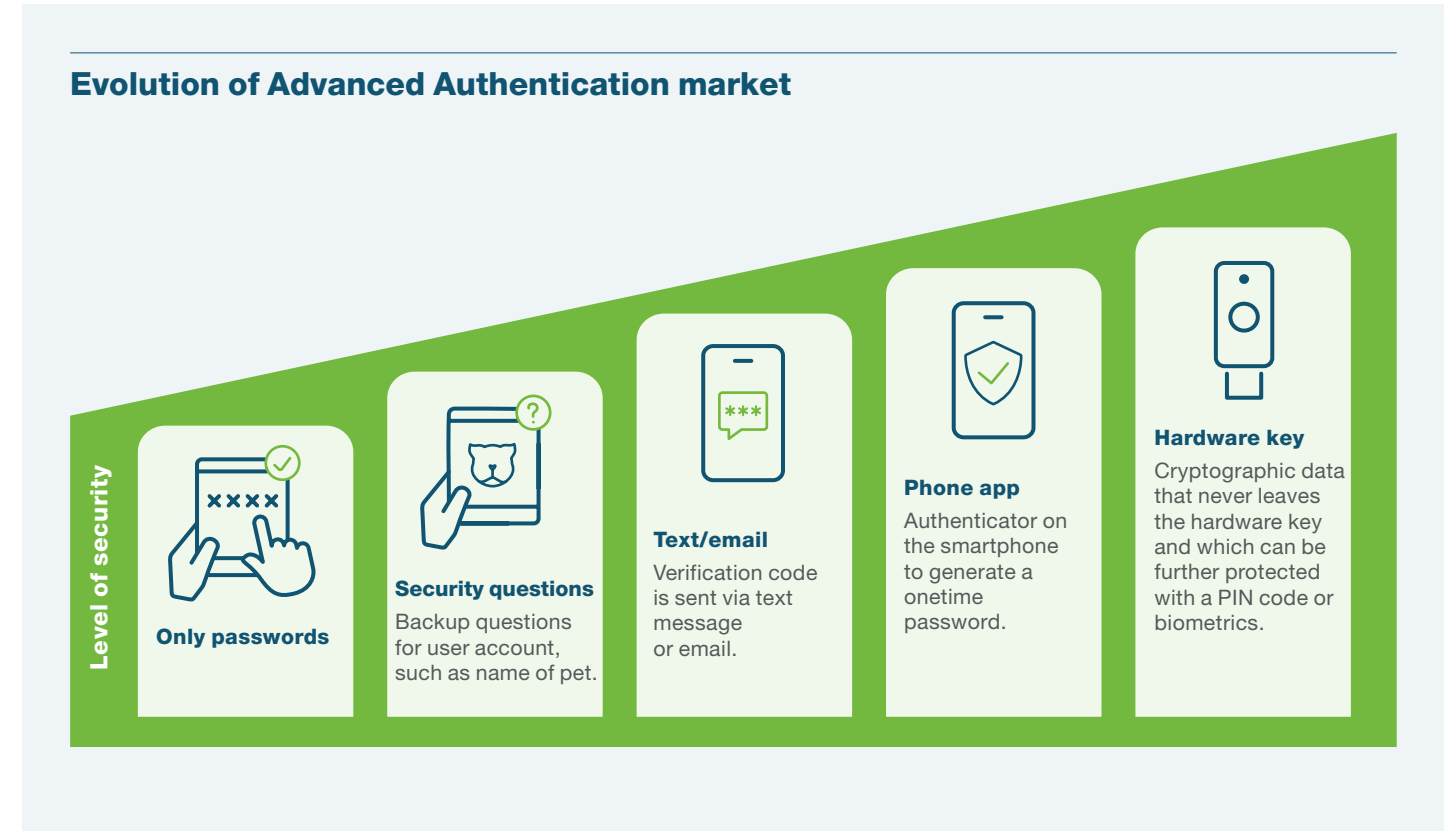
hardware and cryptographic factors to reduce the risk of unauthorized access. Yubico offers solutions tailored to meet FFIEC compliance requirements, which has led some banks to issue YubiKeys to high net-worth individuals to protect them from password-related fraud.

- **Zero Trust.** Companies are exploring new login models like Zero Trust (a security framework requiring all users to be authenticated and authorized before being granted access to applications and information), which mandates authentication and authorization for all users before granting access. This requires IAM platforms supporting integration, login, and export to other platforms, including user behavior analytics. Users demand seamless and secure login experiences for convenience.

- **The EU’s NIS2 Directive**, strengthens cybersecurity across critical sectors like e.g. energy, health-care, and transportation. By standardizing rules and improving incident response, it enhances the EU’s resilience against cyber threats.
- **Digital Operational Resilience Act (DORA)** adopted by the European Parliament on November 28, 2022, focuses on enhancing the cybersecurity and operational stability of financial institutions within the European Economic Area. It aims to safeguard the financial sector against growing cyber threats and digital risks as part of the EU’s broader strategy for a secure digital economy.
- **European Digital Identity Wallet (EUDI).** In May 2024, the European Digital Identity Framework was launched, an initiative where all member states are

required to offer at least one version of the EU’s Digital Identity Wallet by 2026, based on common specifications. As part of this project, Yubico is one of the key players working to develop solutions for the digital identity of the future. Yubico has been selected to actively contribute to Germany’s ID project, led by SPRIND, with the goal of creating prototypes for a universal EUID.

- **Singapore’s Operational Technology Cybersecurity Masterplan** is a national initiative aimed at enhancing the cybersecurity of the country’s critical infrastructure systems that rely on operational technology (OT). These systems include essential services in sectors such as energy, water, transportation, and healthcare.



# Business model, targets and strategy

## Focus on profitable growth

Yubico's core product YubiKey, which protects accounts and user credentials from theft and intrusion, is sold either through a perpetual model (one-time payment) or through a subscription model, YubiKey as a Service. The subscription model represents a significant change in our business model. It has been designed to meet the specific needs of organizations that often want support with implementing and delivering the keys to employees globally.

### Perpetual model as a one-time investment for customers

The perpetual revenue model is based on a customer making a one-time purchase of a YubiKey and gives the customer sole ownership of the hardware. The main advantage is that it is a one-time investment to use a YubiKey without a time limit, making it an attractive option for customers who want to try YubiKeys on a smaller scale, or build up deployment over time. For Yubico, this implies an important initial sales step that allows testing before larger deployments. For many of Yubico's customers this is the beginning of a long journey where the company becomes a recurring customer.

### Subscription model enables continuous customer dialogue with enhanced support and customization

The subscription-based model, YubiKey as a Service, introduced in 2020, allows for continuous customer dialogue throughout the customer journey, increasing customer retention and loyalty. It gives the customer a lower cost of entry and a high degree of customiza-

tion and flexibility. Additionally, our products are backed by a comprehensive service package that includes flexible support, customized services, and partners for seamless deployment, making our offering difficult to replicate. For Yubico, the model results in predictable revenues phased over the contract length. Thus, we aim to increase sales of the subscription-based model, while still keeping the perpetual alternative. In 2024, subscription-based orders amounted to 18 percent of total order bookings.

### Long-term financial targets

Yubico aims to increase net sales by an average of 25 percent per year in the coming years. To achieve this, we will continue to work according to our strategy and develop and diversify our customer base by continuously improving and adapting our products and services to meet customer needs.

We will continue to develop both our perpetual model and our subscription model, with a long-term goal of increasing the share of the subscription-based model as a percentage of net sales. Through this strategic approach, we strive for sustainable growth and an EBIT margin of at least 20 percent.

**Vision**  
A safer internet for all

**Mission**  
Protect the digital you



### Sales channels

- Direct sales
- E-commerce
- Distribution partners: distributors and retailers

### Two business models

- Perpetual models: Revenue and costs on delivery.
- The subscription-based model: Revenue over 3–5 years and most of the cost in the first year.

### Production and R&D

- Adaptable production in Sweden and the U.S.
- In-house development and development partnerships with leading technology companies.

### Financial targets<sup>1</sup>

**25%**  
Average annual growth in net sales

**20%**  
EBIT margin

### Dividend policy

For the foreseeable future, Yubico will primarily use generated cash flow for investing in continued growth.

<sup>1</sup>) Set in 2024 and apply for the next five years.

### Growth strategy based on proven technology and broader customer base

Yubico's mission to create a phishing-resistant authentication standard by 2024 has been accomplished. For 2030, our goal is to protect users throughout their digital lifecycle, not just at login. With the growing focus on cybersecurity, Yubico is well-positioned to continue to drive change in identity protection. Our strategy focuses on three areas:

- **Expand:** Strengthening our global presence by refining market strategies in key regions and enhancing collaborations with channel partners to deliver YubiKeys efficiently across the world.
- **Simplify:** Making YubiKeys as easy to adopt as software by optimizing user experience and delivery, with innovations like Yubico's Enrollment Suite and strategic partnerships.
- **Evolve:** Exploring new segments and opportunities in areas such as digital identity, with a focus on scaling solutions and meeting the growing demand for digital credential management.

### Manufacturing under strict control

In order to achieve maximum control and safety, Yubico has complete control over the entire manufacturing and supply chain, from manufacturing and programming to delivery and support. Programming takes place in our Stockholm and California offices, and manufacturing is done in Sweden on a contract basis using customized tools. Sensitive data is handled securely at these facilities, where we have the ability to scale up production to meet increased demand.

### Research and development to stay ahead

The development of Yubico's hardware, software, and new services takes place in the Parent Company in Sweden and in the subsidiary in the U.S. We also design and develop new equipment to automate and streamline the production of YubiKeys. In total, about 115 developers, product owners, and project managers worked on these tasks in 2024, but also on testing new possibilities to use YubiKeys, on maintenance of current solutions and on documentation and support to external developers of applications that make it possible to use YubiKeys as an authentication tool.

We are also working directly with several strategic technology partners to ensure that our current and future customers can implement phishing-resistant MFA and strong encryption, easily and across as many services as possible.

Our history of innovation has resulted in an extensive portfolio of patents in areas such as usability, programming, production, automation, and protocol development.

To stay ahead of both the hackers and the competition, we will continue to invest broadly in our product. Costs related to research and development have so far been expensed as incurred without capitalization. This approach may change in the future for certain projects.



**Development of Yubico's hardware, software and new services takes place in the parent company in Sweden and in the subsidiary in the U.S.**

## Yubico’s go-to-market model

Yubico’s products secure access to computers, networks and online services for thousands of businesses and millions of users in over 160 countries globally. Yubico’s customer base includes the 19 of the 20 largest tech companies in the U.S., and around 30 percent of the G2000 companies have purchased YubiKeys.

### Strategic investment in large-scale deployments

Part of our recipe for success came from early adopters of IT security solutions who bought YubiKeys online for testing and then influenced the company internally to increase cybersecurity protection. The IT department has already tested the keys and is able to guide the organization and decision-makers in a larger deployment of YubiKeys. The current go-to-market approach focuses on addressing larger deployments from the start, a strategy that has been successfully enabled by the subscription model, YubiKey as a Service, that offers enterprises purchasing flexibility to buy and deploy and ramp up aligned with internal requirements and changing needs.

### Combination of direct and indirect sales channels

YubiKeys are sold through a combination of direct and indirect channels like e.g. distributors and resellers. For the largest companies and for strategic accounts, we use predominantly our own sales organization. For medium-sized enterprises, we use a combination of direct sales and partners. Small businesses and private consumers are reached via e-commerce and local retailers.

End-consumer marketing emphasizes the simplicity, safety and security of personal use, while business marketing highlights partnerships and strategic collaborations with other technology providers.

Yubico’s sales team consists of approximately 150 employees, divided among 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 thousand resellers worldwide.

### Expanding secure authentication through B2B2C

In recent years, Yubico has identified a growing need for end consumers of our customers to adopt secure authentication methods. Recognizing this as a key growth opportunity, we have focused on expanding our reach to consumers without building a direct-to-consumer brand. This approach has been particularly successful in the banking sector, where several pilot projects in both the U.S. and Europe have enabled banks to offer YubiKeys as a secure authentication method for their customers. Beyond banking, this model is also highly relevant for critical infrastructure, where strong authentication is essential to protect sensitive systems and data. Through this B2B2C strategy, we are strengthening security, deepening customer relationships, and driving global adoption of phishing-resistant authentication.

### Selection of customers

Over time, Yubico has attracted customers from various industry verticals, including financial services, manufacturing, retail, and government agencies. While the U.S. has historically been our largest market, we are now seeing strong growth in Europe and Asia, with these regions steadily catching up. The largest markets outside the U.S. include the DACH region (Germany, Austria, and Switzerland) and the UK.

## Trusted brands trust Yubico



## Case study #1

### T-Mobile enhances work systems security with Yubico

T-Mobile U.S. worked with Yubico in late 2023 to deploy YubiKeys across its operations, replacing legacy authentication with a passwordless, device-bound passkey solution. This critical step has further secured T-Mobile's work systems and information amidst the growing escalation of cyber threats, stopping unauthorized credential use by bad actors over the last year.

Legacy authentication methods, such as passwords and one-time passwords (OTPs), can be susceptible to phishing attacks. Seeking a stronger authentication solution, T-Mobile implemented YubiKeys, eliminating the need for passwords and OTP codes.

"Once we had our YubiKeys in hand, we were able to get them up and running across the company in less than three months, and we've seen the positive results after just one year of having them," said Jeff Simon, Chief Security Officer, T-Mobile. "That progress is even more important in today's environment where bad actors continue to wage sophisticated campaigns to attempt to infiltrate telecommunication networks. YubiKeys continue to be an important element of how we approach cyber protection."

T-Mobile's deployment of YubiKeys demonstrates the impact of modern authentication in securing enterprise environments. Enterprises must adopt hardware-based authentication like YubiKeys, the strongest multi-factor authentication available today, to mitigate evolving cyber risks.



# Our offering

## Advanced protection against cyberattacks

Through our core product and invention, the YubiKey, we solve the number one cyber-security issue – stolen login credentials. The YubiKey is a hardware-based security key used to protect online accounts and systems against unauthorized access. It is user-friendly and works seamlessly across over 1,000 applications and all major systems, ensuring broad compatibility and ease of use for both individuals and organizations.

### YubiKey – leading passwordless security across platforms

As a founding member of the FIDO Alliance, Yubico has been at the forefront of driving security standards for modern, phishing-resistant authentication. Aligned with our vision of creating safe internet use for all, we collaborate with major technology platforms worldwide. YubiKey is compatible with over 1,000 applications and supports a wide range of cryptographic protocols, including FIDO2, U2F, Smart Card, and OTP. One of Yubico’s unique selling points is its independence from all providers, allowing it to serve all platforms while maintaining exceptional user-friendliness.

### One-time investment for lasting security

For organizations seeking a long-term security solution, Yubico offers the perpetual model. This allows businesses to purchase YubiKeys, ensuring flexible and scalable protection against phishing and unauthorized access. The perpetual model provides the same strong, phishing-resistant authentication that

Yubico is known for, with the simplicity of a one-time purchase on demand.

### YubiKey as a Service – global deployment at scale made effortless

YubiKey as a Service simplifies phishing-resistant authentication by allowing organizations to license keys on a subscription-per-user basis. This offering provides flexibility, cost savings, and a user-friendly web-based interface to manage orders, dispatched keys, and stock status.

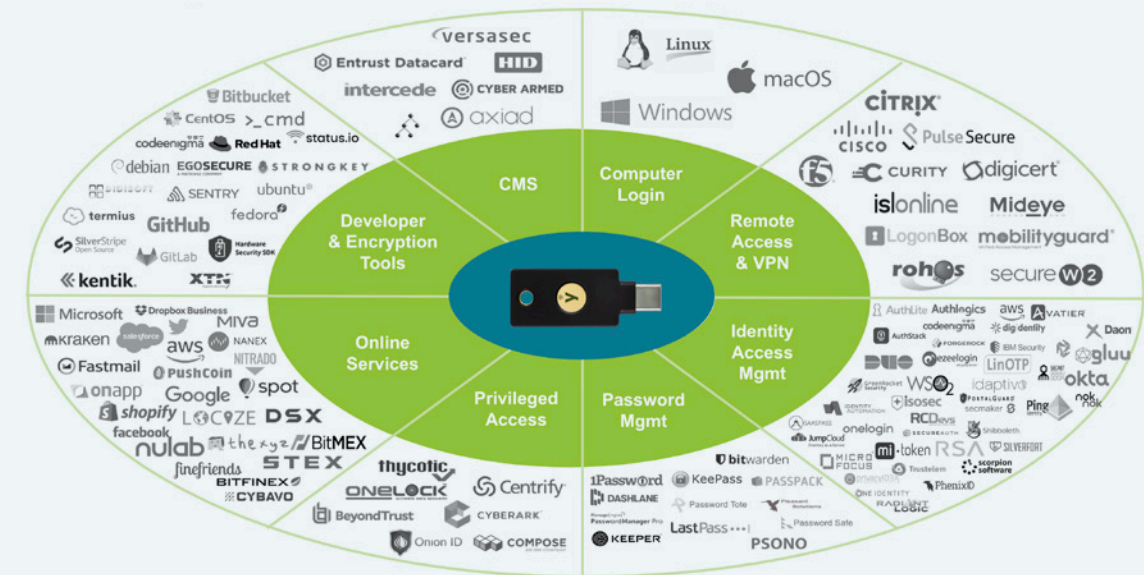
Designed for enterprises, this model supports large-scale deployment by helping businesses identify the right keys and implement them across locations. Yubico provides guidance to CIS admins on how to efficiently roll out keys to employees, even in distributed environments, ensuring a seamless process.

### Yubico Enrollment Suite simplifies the implementation for companies

Yubico Enrollment Suite is a newly developed service that simplifies the registration, configuration and implementation of YubiKeys in companies and organizations. The service is designed to help businesses quickly and efficiently become phishing-resistant. With the Yubico Enrollment Suite, organizations can select their path to stronger security, and easily enroll YubiKeys on behalf of users leveraging either Yubico FIDO Pre-reg or YubiEnroll.

- **Yubico FIDO Pre-reg** offers a turnkey service that delivers pre-enrolled YubiKeys to users, no matter where they are, in corporate or residential locations, and empowers them to go passwordless from day

### YubiKey is compatible with 1,000+ applications



### Yubico Enrollment Suite

**Yubico FIDO Pre-reg**

A premium service that delivers factory enrolled pre-programmed keys to new or existing users

**YubiEnroll**

A client application that can help IT easily pre-enroll new or reclaimed YubiKeys on behalf of the user at their premises

one. Available exclusively through YubiKey as a Service, Yubico FIDO Pre-reg is ideal for organizations with over 500 users, with Yubico handling all of the key delivery logistics door-to-door, and reducing burden for both IT staff and end users. YubiEnroll enables organizations of all sizes to easily enroll YubiKeys on behalf of end users, or do so through partners, making going passwordless a snap.

- With **YubiEnroll**, organizations can empower their IT team to enroll YubiKeys on short notice, or do so in certain geographies that cannot easily accommodate turnkey delivery services. With YubiEnroll, organizations that purchase YubiKeys can gain access to a client application that allows IT to enroll YubiKeys for the user and deliver them directly to the user.

## YubiKey benefits for businesses

- 1,000+ integrations with broad compatibility & user-friendliness that support a wide range of cryptographic protocols
- YubiKey as a Service: flexible subscription with dedicated support and fast rollouts, key replacements, and upgrades
- Global distribution for seamless management in all environments
- Localized support via a strong reseller network in key markets
- Custom programming for device pre-configuration to meet enterprise needs
- SDK for easy integration and tailored authentication solutions

### Turnkey YubiKey distribution globally with YubiEnterprise Delivery

YubiEnterprise Delivery is a service that streamlines the distribution of YubiKeys to end users worldwide. Using this service, which also includes third-party providers, keys are sent to end users both domestically and internationally, including residential addresses. We ship keys to nearly 50 countries and also work with partners to ensure a secure supply chain.

### YubiKey secure legacy on-premises and modern cloud environments

YubiKeys secure both legacy and modern business environments. Coupled with the vast ecosystem of partner integrations, this makes Yubico an attractive choice for enterprises of all sizes. Also, Yubico’s open source Software Development Kits (SDKs), which enable further integration of YubiKey into customized services, help make YubiKey an appealing security solution for businesses.

### Certifications, regulatory compliance, and patents

To ensure local regulatory compliance, we are active in standardization bodies such as the FIDO Alliance. We also have a team working on local and regional certifications, such as FIPS, FIDO certification level 2, and CSPN. 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 history of innovation has resulted in an extensive portfolio of patents in areas such as usability, programming, production, automation, and protocol evolution.

### Fully controlled and secure supply chain at scale

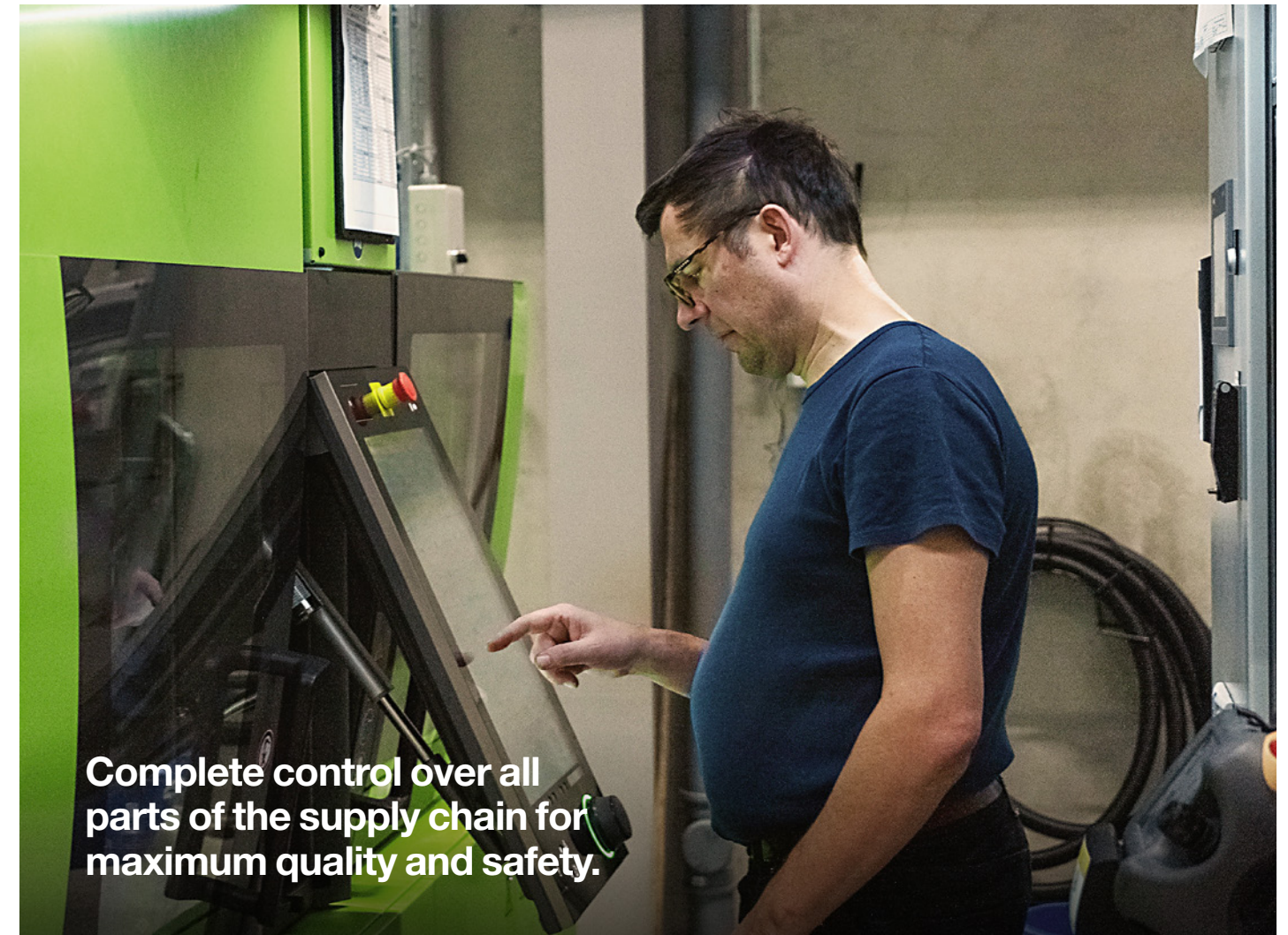
Yubico’s hardware-backed authenticators rely on a global secure supply chain. Sensitive operations,

such as programming, take place at our facilities in Sweden and the U.S. We have also built a robust chain of trust that starts with our vendor assurance program and ends with programmatic validation of components.

To ensure vicinity to all aspects of manufacturing, we use third party suppliers that manufacture and finish the parts close to our two main offices in Sweden and the U.S., where we can make continuous improvements and keep tight control over production. Yubico uses third-party service providers for shipment to

end customers, distributors, and resellers to ensure deliveries to most countries worldwide.

With manufacturing, programming, testing, and shipment all managed internally, Yubico has full control over the supply chain in all relevant aspects. This ensures quality in the device, integrity, and security, as well as the ability to build the product to our exact specification.



**Complete control over all parts of the supply chain for maximum quality and safety.**

## Product portfolio and complementary services

Through secure ID verification and phishing-resistant multifactor authentication, Yubico products prevent illegal account and identity access, by far the biggest cybersecurity problem. Complementary services are available to strengthen the protection of users of software applications on desktop computers or to facilitate integration with customer applications across multiple platforms.

### YubiKeys



#### YubiKey 5 Series

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



#### 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.

#### 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.

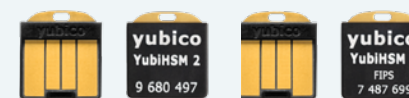
#### YubiKey Bio Series

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



#### YubiHSM (Hardware Security Module)

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



### Supporting YubiKey Services and solutions

#### Yubico Enrollment Suite

Yubico Enrollment Suite is a complete registration and configuration service of YubiKeys within an organization. With the Yubico Enrollment Suite, organizations can select their path to stronger security, and easily enroll YubiKeys on behalf of users leveraging either Yubico FIDO Pre-reg or YubiEnroll.

#### Yubico Authenticator

Yubico Authenticator is a software-based solution for authenticating users of software applications on computers and cellphones. Authenticator stores the credentials in the secure element of the YubiKey where they cannot be extracted.

#### Software development kits

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.

## Case study #2

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### **Okta and Yubico collaborate on large-scale, easy deployment of YubiKeys**

Yubico's partnership with Okta, an industry leader in identity management, has accelerated the widespread adoption of passwordless identification solutions. As the first partner for Yubico FIDO Pre-reg, a feature that simplifies deployment and reinforces security when registering and using YubiKey at scale, Okta worked closely with Yubico to design and develop the integrated solution.

As part of its commitment to lead the industry in the fight against identity attacks under the Okta Secure Identity Commitment initiative, Okta became an early adopter of Yubico FIDO Pre-reg and quickly implemented the solution for its 6,000 employees worldwide.

Okta's goal in launching Yubico FIDO Pre-reg was to provide employees with a seamless and comprehensive password-free solution and to create phishing-resistant users across the organization. Stephen Lee, Vice President of Technology Strategy & Partnerships at Okta, was part of the team that designed the solution:

"At Okta, we had already implemented a passwordless solution for our global workforce using Okta FastPass technology. With Yubico, we saw an opportunity to take the final step and deliver a comprehensive solution without passwords. In four months, we sent out over 6,000 YubiKeys to employees and consultants in 42 countries."

By allowing employers or administrators to pre-register YubiKeys before distributing them to users, the need for complex configuration processes for the end user is reduced.



### Case #3

## PKO Bank Polski enables its customers to use YubiKeys

With a phishing attack occurring every second globally, it is more important than ever that individuals protect their most personal and sensitive information from phishing attacks and account takeovers. Polish bank PKO Bank Polski has enabled its 12 million customers to use YubiKey to provide them with the highest level of security when logging into the iPKO e-banking service. YubiKey provides the user's credentials online when a service that supports multifactor authentication requires it.

## Our values

In early 2018, when the team had just grown to 100 people, we asked every employee what they liked about working for Yubico and what they thought would support success as our team and company grew. The most essential values were distilled into six core concepts, all starting with a letter of our company name. Today, these values continue to guide our decisions, how we reward team members and are the foundation to how and why we win.

### Your work matters

We're all here to enable a safer internet for all.

### Unleash smiles

Be nice. Stay humble. Have fun. Don't take yourself too seriously.

### Battle friction

Always look for new ways to simplify our products and work.

### Inspire higher

Think big. Do the right thing even when it's difficult. Be a leader.

### Customer focus

Win with the best security, usability, quality and customer service.

### One team

Be open and responsive. Overcome challenges and celebrate success together.

# A letter from the co-founder

## Cybersecurity and sustainability



**When I first used the internet in the 1990s, I was struck by how this new, incredible interconnected network could change the world – but also how vulnerable it was.**

This early realization shaped my view of sustainability – not just in terms of environmental issues but also in how we protect and manage our digital future.

As cyber threats and disinformation increase, it becomes clear that the single most important factor for an internet we can all trust is secure, verified identities. In today's global society, cybersecurity and secure digital identity are no longer just technical issues but fundamental requirements for society to function.

The concept of sustainability was coined in its modern form in 1987 in connection with the UN report *Our Common Future*, led by former Norwegian Prime Minister Gro Harlem Brundtland. The report defined sustainability as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Initially, sustainability was an environmental issue focused on pollution and nature conservation. In recent years, it has expanded to include broader social, economic, and technological aspects. Today, it is absolutely necessary to incorporate cybersecurity into sustainability efforts.

### **Why secure identities are crucial**

The global cost of cybercrime is skyrocketing and is expected to reach USD 12 trillion by 2025 - an increase by USD 7 trillion since 2015. Around 80 per-

cent of all cyber breaches involve stolen login credentials and digital identities, with phishing being the single biggest threat.

At the same time, more than half of the world's digital identities consist of bots and fake profiles. When millions of bots coordinate and spread disinformation, trust in the internet and democracy itself is put to the test.

Since its inception, Yubico has worked to develop solutions and global standards for secure and scalable login solutions. The company's technology helps secure the largest IT firms, whose phones, computers, and digital services form the backbone of our digital world. Through these partnerships, energy supply systems, hospitals, and thousands of organizations worldwide are better protected against the most advanced phishing attacks.

### **From verification to identification – the next step in digital security**

To counter the growing threats to our digital integrity, securing login credentials alone is not enough – we must also verify who is behind a digital identity. Many countries and companies have attempted to create ID solutions for the internet, but the challenge has been to develop something that is both highly secure, user-friendly, interoperable across countless services and countries, and protective of personal privacy.

The EU has taken a major step in this direction with the EU Digital Identity Wallet, a large-scale pilot program where all EU countries are collaborating to create a unified and secure digital identity for citizens and businesses. This initiative aims to allow all EU

citizens to identify themselves and prove their right to access public and private services securely and privately – without reliance on individual commercial entities.

Yubico has been invited to contribute to the development of the EU Digital Identity Wallet, working on how secure authentication and identity protection should function within this new infrastructure. Together with two European research institutions, we have developed *wwWallet*, a web-based ID solution that meets security, simplicity, and privacy requirements. The technology is based on open-source software as well as FIDO/Passkeys and security keys like *YubiKeys*. In December, German authorities selected *wwWallet* as a key component of Germany's next-generation national ID system.

To strengthen the further development of *wwWallet* and secure, scalable digital ID systems, I have founded the *SIROS* Foundation. With Europe as the first platform, the goal is to build a global standard.

By creating a solution where individuals control their own identity and choose what information to share online, we can combat the threats of fake identities, bots, and disinformation. Ensuring that identity management is secure, transparent, and privacy-preserving lays the foundation for a long-term, sustainable digital future where more people can participate on equal terms.

**Stina Ehrensvärd**  
Co-founder

# Sustainability Report and focus areas

## Yubico's five sustainability focus areas

- **Climate and environmental responsibility**
- **Inclusive workforce and employee development**
- **Value chain and worker protections**
- **Ethical governance and responsible partnerships**
- **Leadership in cybersecurity and digital trust**

Our sustainability work is currently structured around five key focus areas. These pillars guide our commitment to minimizing environmental impact, fostering an inclusive workplace, ensuring fair labor practices across our supply chain, strengthening digital security, and upholding the highest ethical standards in our operations and partnerships.

In 2024, Yubico took a significant step by starting to prepare for sustainability reporting according to the Corporate Sustainability Reporting Directive (CSRD). To support this transition, key employees and the management team conducted a series of in-depth workshops to analyze the entire value chain, covering upstream, downstream, and operational activities.

This was followed by a Double Materiality Assessment (DMA) to identify and prioritize the most relevant and impactful sustainability topics for Yubico. Leveraging these insights, we carried out a GAP analysis to evaluate our alignment with CSRD reporting metrics and developed a clear roadmap to bridge any identified gaps. Looking ahead to 2025, our focus will be to continue to prepare to meet the framework's reporting requirements for the full year of 2025.



## Focus area

### Climate and environmental responsibility

- Circular economy
- Climate change mitigation
- Energy

#### Circular economy

##### Production and distribution

Through its suppliers around the world, Yubico is striving to achieve manufacturing which is safe, cost-effective, and respectful to people and the environment. Yubico’s product is designed to have a long product life. Recyclable materials are used in Yubico’s packaging, and the use of recycled paper is prioritized. The most significant environmental impact comes from product distribution. Manufacturing has been centralized in Sweden, reducing the need for air freight between Sweden and the U.S. Through optimization of the quantities per shipment between the production sites throughout the manufacturing chain, Yubico reduced the number of shipments.

##### Reducing waste

As a producer Yubico focuses on the impact of its products and packaging throughout the lifecycle of its products and as part of this the company is fulfilling its obligations when it comes to electronic waste management via WEEE (waste electrical and electronic equipment) and in relation to packaging materials via EPR (extended producer responsibility) by working with dedicated partners who supports with the reporting in the relevant jurisdictions based on the respective market regulations. This work continues as the company is expanding its sales into new countries. Waste from offices and production facilities is sorted for recycling. All Yubico events encourage low/no waste options, refraining from making single-use eating and drinking materials available where possible.

#### Climate change mitigation

##### Climate compensation

Climate change mitigation involves efforts to reduce or prevent greenhouse gas emissions and enhance carbon sequestration. Climate compensation is made for emissions related to business travel. Yubico has worked with Solvatten since 2022. Their mission is to provide people living in developing countries with safe and hot water in a portable, environmentally-friendly way. Solvatten is a combined portable water treatment and water heating system that has been designed for off-grid household use in the developing world. It is an easy, innovative solution that provides access to clean, hot water to people worldwide. Thanks to its durable design, Solvatten is an affordable and convenient way to get clean, hot water. Yubico’s carbon offset donation in 2024 helped to successfully deploy 86 Solvatten units, profoundly impacting the lives of 430 individuals across various communities. Yubico’s carbon offset saved 3,600 trees from being cut down for firewood, which prevented 600 tons of CO2 emission.

#### Energy

##### Environmentally certified offices

Most of Yubico’s energy consumption comes from its office locations, reinforcing the importance of maintaining and improving energy efficiency standards across all sites. All of Yubico’s offices are environmentally certified under Leadership in Energy and Environmental Design (LEED), which is a well-established American environmental certification system for commercial buildings and the most widely used third-party certification system globally. The certification takes into account materials in the building, energy use, water use, indoor climate and also the local environment and is a quality seal that the properties have a lower environmental impact. The LEED

certification is structured across four distinct levels each representing a higher standard of sustainability. We currently have offices in Santa Clara, Seattle and

Stockholm and the highest level can be attributed to the office in Santa Clara, and the second highest is in Stockholm.

#### Climate data

##### Greenhouse gas emissions

Total emissions, tCO <sub>2</sub> e	2024	2023	2022
Scope 1	–	–	–
Scope 2, location-based	69	103	186
Scope 3	2,078	2,727	1,816
of which waste	0	2	–
of which business travel	2,059	2,726	1,816
<b>Total, tCO<sub>2</sub>e</b>	<b>2,147</b>	<b>2,831</b>	<b>2,006</b>
GHG- intensity tCO <sub>2</sub> e/employee FTE	4.5	6.9	5.4

##### Energy consumption

	2024	2023	2022
Electricity, MWh	310	342	486
of which renewable, %	80	78	63
Energy intensity MWh/employee FTE	0.7	0.8	1.3

Yubico’s total emissions have decreased together with the GHG intensity. The reduction is partly due to the fact that we have reduced emissions in Scope 2 and Scope 3. In Scope 2 it is related to purchased energy, where we have increased the amount of renewable energy. Energy consumption mainly takes place in our own offices and this year we closed down one of our offices in the U.S. We work actively with energy consumption through our environmentally certified offices.

In Scope 3 we saw a reduction of emissions from business travel compared to 2023. Identification and reporting of emissions has improved and changes in emissions data regarding electricity consumption and office waste are related to improved data collection, although there is still a need for estimates in some areas.

## Focus area

### Inclusive workforce and employee development

- Own workforce working conditions
- Equal treatment and opportunities
- Other workforce-related rights

#### Own workforce working conditions

Yubico strives to offer local market salaries, benefits, terms and conditions in all countries and is continuously analyzing terms and benefits and makes adjustments when needed. Yubico offers competitive salaries in all countries and to ensure this, is using salary benchmarking tools when setting salaries. In 2024 Yubico did a company-wide overview of its salaries and established a framework for job architecture and leveling. The results confirm that Yubico's salaries are globally aligned to market practice and provide a good structure to scale the company's workforce in a fair and competitive manner from a compensation standpoint. Furthermore, the company annually conducts pay equity analysis for the U.S. and Sweden, as well as a review of the benefits offered globally. There are no collective bargaining agreements within the Group. The company has an Educational Assistance Program which is a world-wide benefit. Yubico supports employees in their professional and personal development through an Education Assistance Program. Full-time employees have the opportunity to take job-related courses, certifications, and seminars to enhance their skills and career growth, with manager approval. This benefit encourages continuous learning and development within the company.

#### Equal treatment and opportunities

Yubico's innovative corporate culture is strongly value-driven based on diversity, inclusion, and a healthy working environment. Yubico educates all employees to counteract harassment of all kinds. The company operates from 16 different countries and host employees of wide variety of nationalities and backgrounds. The team includes 30 percent women (28) across the entire organization and 25 percent (27) in the company's management. 86 (86) new employees joined the company during 2024 and 30 (38) employees left the company during the year. Employee turnover measured on average headcount was 10.27 percent (9.0).

#### Other workforce-related rights

Yubico runs several Employee Resource Groups (ERGs). ERGs are employee-led groups that foster inclusivity and build community. They provide a supportive environment where groups of employees from similar backgrounds or interests network and support each other. ERGs are open to all employees, regardless of self-identification, and may serve multiple purposes. ERGs are entirely employee-driven and volunteer-based groups that can act as sources of support, education, community, and allyship. Anyone may join any group or attend another group's events. ERGs are an integral part of employee engagement, and they support Yubico's corporate social responsibility with their Environmental, Social, and Governance (ESG) initiatives). During 2024 the ERG has hosted an Earth Day event encouraging employees to connect with nature and share experiences across our internal social media.

#### Social metrics

(including direct and indirect employees at year end)

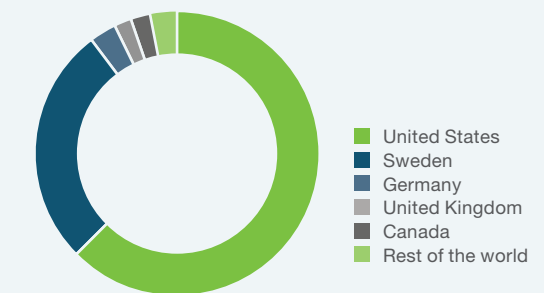
Diversity	2024	2023
<b>Gender distribution</b>		
Board, % women	43	33
Management, % women	25	27
Other employees, % women	30	28
<b>Total, %</b>	<b>31</b>	<b>29</b>

Age distribution	<30 years	30–50 years	>50 years
Board, %	0	14	86
Management, %	0	17	83
Other employees, %	17	61	22
<b>Total, %</b>	<b>14</b>	<b>60</b>	<b>26</b>

#### Employee satisfaction

The feedback from our employees is very important and we work continuously to improve as an employer. Employee surveys are performed on a yearly basis, covering all employees globally.

#### 473 employees around the world



## Focus area

### Value chain and worker protections

- Value chain workers' working conditions
- Value chain workers' equal treatment and opportunities
- Other workforce-related rights in the value chain

#### Value Chain Workers' Working Conditions

Yubico is committed to ensuring safe, fair, and ethical working conditions throughout its value chain. The Supplier Code of Conduct establishes clear expectations for Yubico's business partners, requiring adherence to internationally recognized labor standards, including the ILO's principles on fair wages, working hours, and occupational health and safety.

#### Value Chain Workers' Equal Treatment and Opportunities

Yubico upholds a zero-tolerance policy against discrimination and is dedicated to fostering equal opportunities for all workers within our value chain. Our Business Partner Code of Conduct mandates that suppliers provide fair employment opportunities, ensuring non-discrimination based on gender, ethnicity, disability, or any other protected characteristic. Yubico promotes diversity, equity, and inclusion through continuous monitoring and engagement with the company's partners, reinforcing the commitment to a workplace culture rooted in fairness, integrity, and respect.

#### Workforce-Related Rights in the Value Chain

Respecting fundamental human rights is at the core of Yubico's ethical business practices. The company is committed to preventing forced labor, child labor, and other human rights abuses by implementing due diligence processes across our value chain. As part of the governance framework, Yubico continuously assesses its policies to align with global human rights standards and regulatory requirements.

## Focus area

### Ethical governance and responsible partnerships

- Code of conduct
- Whistleblowing
- Corruption and bribery
- Relationships with suppliers
- Policies, employee onboarding and early training

#### Code of Conduct

To ensure the protection of human rights, promotion of fair employment conditions, safe working conditions, responsible management of environmental issues, and high ethical standards Yubico has implemented a Code of Conduct, annually reviewed, and approved by the Board of Directors. This policy sets out the standards that all employees are required to follow; Yubico shall respect all internationally recognized human rights, including the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which addresses freedom of association and collective bargaining, forced labor, child labor, and non-discrimination. Yubico is committed to implementing the UN Guiding Principles on Business and Human Rights throughout its business operations. Yubico shall avoid causing, contributing to, and being linked to adverse human rights impacts, and adequately address such impacts when they occur. We shall, in all contexts, seek ways to honor the principles of internationally recognized human rights. As a company providing products which are protecting companies and millions of users worldwide, respecting the integrity of individuals is essential to how Yubico operates its business. Yubico also requires its Business Partners to adhere to business principles consistent with this Code, which is set out in the Business Partner code of conduct.

#### Whistleblowing

At Yubico, integrity and accountability are core to our operations. Yubico is committed to upholding ethical standards and ensuring that employees and stakeholders have a secure and confidential way to report any suspected misconduct or wrongdoing and have established a whistleblowing process during 2022. In 2024 Yubico streamlined the reporting process to further protect the integrity of whistleblowers. Every report is assessed by an internal team to determine the appropriate follow-up actions while ensuring fairness and transparency throughout the process.

#### Corruption and bribery

Yubico maintains a zero-tolerance policy towards bribery, corruption, and human rights violations. The company is committed to conducting business with the highest level of integrity and ensuring full compliance with anti-corruption laws and regulations. The company's Code of Conduct sets clear expectations regarding ethical behavior, and employees are required to adhere to these principles in all business dealings. Yubico also extends these ethical standards to its business partners, requiring them to comply with the Business Partner Code of Conduct, which aligns with the company's principles on fair business practices and anti-corruption policies.

#### Relationships with suppliers

Yubico places high importance on ethical and sustainable supplier relationships. The company has developed and implemented a Supplier Code of Conduct, ensuring that all suppliers—both existing and new—adhere to responsible business practices. The Supplier Code of Conduct sets expectations for human rights protection, fair labor conditions, safe working environments, and environmental responsibility.

Yubico actively works with its suppliers to promote these values and ensure compliance with international regulations. As part of its commitment to ethical supplier relationships, Yubico will continue to roll out the Supplier Code of Conduct across its business partnerships and implement ongoing training to reinforce ethical business practices.

#### Policies, employee onboarding and early training

All new employees receive training on the policies, for example the Code of Conduct and the whistleblowing process, and every year all employees are making a refresh by conducting digital training.

## Focus area

### Leadership in cybersecurity and digital trust

- Affected communities
- Consumers and end-users

#### Affected communities

Our Secure it Forward program was established to provide security keys to help those most at-risk to improve their authentication posture. For every 20 keys sold on the Yubico e-commerce store, we are able to donate 1 key to journalists, humanitarian workers, nonprofits, or organizations in need. We are proud to support:

- **Journalists and humanitarian workers**
- **Non-profit organizations** that protect journalists, freelancers, and writers from doxing and other targeted attacks to uphold transparent, fair, and ethical reporting
- **Human rights organizations** and activist groups focused on ending racism, sexism, LGBTQ+ violence, domestic abuse, and other social justice issues around the world
- **Bi-partisan networks** that fight to preserve democratic integrity by securing political campaigns, political candidates, and election processes
- **Organizations working to further diversity in tech and security**, including STEM (Science, Technology, Engineering and Mathematics) programs, hackathons, and diversity-driven events
- **Environmental and climate organizations**, a target group which has been added to the program during 2023

Our technology has played a critical role in protecting democracy and online systems in several election campaigns, through our work with Defending Digital Campaigns and Microsoft Account Guard. Since the Secure it Forward program was formalized in 2020, Yubico has donated tens of thousands of keys to

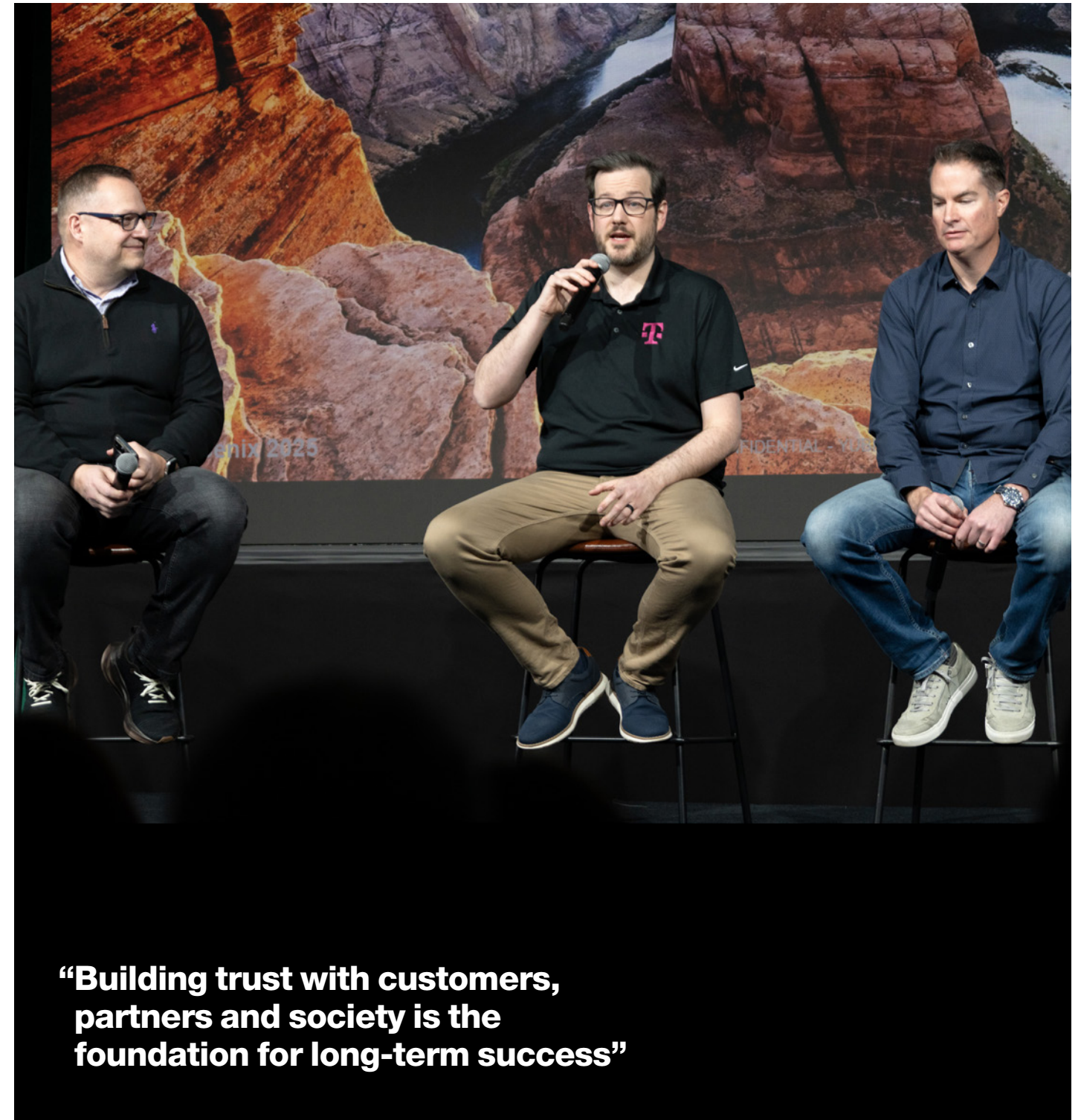
hundreds of organizations, journalists and humanitarian aid workers around the world.

#### Consumers and end-users

Yubico is a pioneer and leading contributor and driver of the world's first web authentication standard; and the only technology proven to stop account takeovers at scale.

- We built the first FIDO/WebAuthn security key reference designs, published free open-source servers, and offered free technical support spearheading adoption by leading technology and service providers across the globe
- We are contributing to standards as part of groups such as IETF, W3C, and FIDO in order to increase the protection of critical infrastructure and for a wider range of future use cases, including for payments, IoT and verified identities
- Our products and standards are deployed by 19 of the 20 largest internet companies, protecting devices and services for the majority of all internet users
- The YubiKey and YubiHSM are protecting critical government infrastructure around the world, including energy plants, water supply and first responders

As a part of the realization of Yubico's vision, contributing to secure information, protecting citizens and, by extension, democracy, we donate tens of thousands of keys every year to journalists, nonprofit organizations, and to those working to protect human rights. Yubico has during the year been pursuing in spreading knowledge about passkeys and password less, through among others, webinars, blogs, and web pages for developers. See examples of our work with Secure it forward on the next page with our two case studies, political campaigns and freedom of the press.



**“Building trust with customers, partners and society is the foundation for long-term success”**

### Case study #4

## YubiKeys in political campaigns – a way to defend democracy

In the high-stakes world of political campaigns where every decision can tip the balance, cybersecurity is a critical safeguard for the democratic process. As election interference becomes more sophisticated, organizations like Defending Digital Campaigns (DDC) are stepping up to ensure that campaign teams across the political spectrum are equipped with the tools they need to protect their most sensitive information.

DDC is a nonprofit C4 (command, control, communication, and computers), non-partisan and non-aligned organization providing electoral campaigns access to cybersecurity products, servicing democracy and election fairness, especially in an age where political campaigns face increasing threats from those looking to cause disruption, instability and chaos.

According to the DDC every campaign, every campaign worker and everybody who works in a political organization that is associated with campaigns are considered to be high-risk computer users. With Yubico’s support, DDC has contributed tens of thousands of YubiKeys to campaigns and their staff over the past five years.

“YubiKeys get people to a much higher state of security right away. That’s why it was important to work with a company like Yubico, why a product like the YubiKey is so important and why we wanted them in campaigns”, says Michael Kaiser, President and CEO of DDC.

Through their strategic partnership with Yubico and the Secure it Forward program, DDC is doing more than just defending campaigns against those who wish to disrupt them. They are protecting the pillars of democracy itself.



### Case study #5

## Protecting press freedom with the YubiKey

Journalists have always been, and always will be, at risk for doing their jobs. Freedom of the Press Foundation (FPF), a non-profit organization founded in 2012, protects journalists from cyber threats to ensure a free press through its three pillars: advocacy, digital security training, and technology protections for journalists and their sources.

Spyware, surveillance, malware, and phishing attacks may compromise systems, reveal sensitive data, or reveal personal information about journalists in order to discredit, harass or intimidate them from covering stories (doxing). From their work, FPF has identified that most attacks against journalists and newsrooms can be traced back to phishing and the compromise of credentials. FPF was also an early adopter and strong advocate for multi-factor authentication and the YubiKey.

“Helping journalists adopt the most secure form of authentication available is important in supporting our goal. Our ultimate goal is a free press that acts within the autonomy it gets when it doesn’t have to fear repercussions”, says David Huerta, Senior Digital Security Trainer at FPF.

With the help of Yubico’s Secure it Forward program, FPF can freely distribute YubiKeys to the journalists they work with. Through the program Yubico matches up to 5 per cent of the number of YubiKeys purchased on Yubico.com and donates them to non-profit organizations, election campaigns, journalists and humanitarian workers around the world.

“The Secure it Forward program has been really important to us because it is one way where we can absolutely put the best solution in people’s hands”, says Harlo Holmes, Chief Information Security Officer and Director of Digital Security, FPF.

# Risks and risk management

Yubico works systematically with risk management at both a strategic and operational level. Risk management is about identifying, measuring and preventing the realization of risks, as well as continuously making improvements to reduce future risks. A risk is defined as the probability of an event occurring and its effect on Yubico’s ability to achieve its overall objectives. The risk areas that primarily affect Yubico can be divided into four areas: strategic, operational, regulatory and financial.

Yubico’s Board of Directors has overall responsibility for the establishment and monitoring of the Group’s risk management. A risk policy has been established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with limits.

The risk appetite is aligned with the Group’s strategic objectives. The Board of Directors is responsible for approving the risk appetite of the business and for ensuring that the link between the risk appetite and the Group’s strategy is clear. The established risk appetite should guide risk-taking throughout the

organization and represent the maximum level of risk the organization is prepared to take to achieve its objectives.

The Enterprise Risk Management (ERM) process is a structured approach to managing and mitigating major business-critical risks that could potentially affect the ability to achieve its long-term financial and sustainability objectives.

The level of risk in the business is systematically monitored in Board meetings and deviations or risks are identified and addressed. A comprehensive identification and assessment of the risks is carried out at least once a year and the conclusion on whether any updates are needed or not is reported to the Board.

Yubico is exposed to many risks and opportunities arising from both its own operations and the changing environment in which it operates. The main risks identified for the Group are:

Risk	Description of risk	Management of risk
<b>Loss of key personnel (Strategic)</b>	Risk of loss of key people with central or critical roles for the development of Yubico’s core business.	Yubico carries out regular inventories of key competency areas in order to identify risks related to the dependency on key people. In addition, there is a strategic plan to build skills in key areas and to reduce dependency on key people. Formal succession plans and processes to identify future key staff have been implemented.
<b>Supplier dependencies (Strategic)</b>	Risk of serious negative business impact due to dependence on individual chip suppliers.	To reduce dependence on individual chip suppliers, Yubico has built up stocks to cover 12 months of production without additional supplies. Following the move to ARM-based chip technology, a type of processor used in many different devices from smartphones and tablets to servers and smart gadgets, Yubico is applying a multisourcing strategy. Contracts with key suppliers have been renegotiated to ensure priority.
<b>Product variety (Strategic)</b>	Risks related to having a single core product, which increases vulnerability to changing customer demands, new competitors and supplier dependencies, with potential impact on revenue and growth.	To reduce dependency on a core product, Yubico has expanded the range of services linked to YubiKey and developed a subscription model for long-term subscriptions. Expansion in B2B and among retail customers, as well as the continued development of service offerings, also contribute to reduced vulnerability.

Risk	Description of risk	Management of risk
<b>Quality control and product vulnerability and distribution (Operational)</b>	Risks related to malfunctions, quality deficiencies or vulnerabilities in Yubico's products and services due to inadequate technical features or deficiencies in the production environment, which may have a negative impact on Yubico's reputation.	The manufacturing of YubiKeys is designed to minimize security risks throughout the chain, from programming to hardware. Internal and external control mechanisms and third-party evaluations are used when developing new customer solutions and features. All product development and distribution is regulated by contract to ensure safety and quality. Third-party evaluations of Yubico's technology are ongoing. Within Yubico, the principle of minimum privilege is applied, i.e., employees are only granted as much IT access as needed for a task. Recruiting qualified people with advanced knowledge of YubiKeys is also part of the effort to minimize the risks related to malfunctions, quality deficiencies or vulnerabilities in Yubico's products, distribution and services.
<b>Personal safety and physical harm (Operational)</b>	Risk of attacks on offices, fires or other events that jeopardize employee safety.	Yubico conducts mandatory safety training for employees in the US and Sweden on a regular basis.
<b>Patent infringement (Operational)</b>	Risk of loss of intellectual property or theft of product information.	As Yubico's core products are built on open standards, the risk of loss of intellectual property rights or theft of product information is less relevant than it would otherwise be. For the management of license agreements to which patents are linked, there are well-established processes. Yubico has also engaged external legal advisors with patent expertise for support when needed.
<b>Production disruption – warehouse and programming (Operational)</b>	Risk of production disruption due to programming errors or insufficient stocks.	To reduce the risk of production disruptions caused by programming errors or insufficient inventory, Yubico has built up inventories in three different locations to handle 4–6 months of production without additional deliveries. In addition, extra programming and production equipment is stored off-site, allowing backup production facilities to be established in suitable locations. Yubico also has strong insurance coverage against the risk of production disruptions.
<b>Production disruption – suppliers (Operational)</b>	Risk of disruption to manufacturing due to late deliveries or other critical manufacturing disruptions.	In order to reduce the risk of production disruptions due to late deliveries or other critical manufacturing disruptions, Yubico has divided production into two plants with the same PCB assembly capacity and with production lines characterized by high flexibility. In addition, there is the possibility of moving the injection molding to an alternative location. Yubico also has robust insurance coverage against the risk of production disruption.
<b>Payroll management (Operational)</b>	Risk that salaries are not paid to Yubico employees, due to system failures or cyberattacks, or that salaries have been miscalculated.	Yubico has implemented internal procedures to manage and control the payroll administration in order to reduce the risk that salaries cannot be paid to employees due to cyberattacks, system errors, or that they have been miscalculated. In addition, there is a backup system within the payroll group and the possibility to make manual payroll payments if necessary. In Sweden, the payroll function is outsourced.
<b>IT system (Operational)</b>	Risk of failure of critical IT systems.	In order to reduce the risk of failure of critical IT systems, Yubico has implemented an IT governance framework and developed procedures and processes for general IT controls. Contingency and recovery plans (BCP and DRP) have also been put in place.

Risk	Description of risk	Management of risk
<b>Regulatory changes (Regulatory)</b>	Risk of regulatory changes negatively affecting Yubico's operations.	In addition to actively monitoring legislation applicable to Yubico's areas of operation, Yubico has agreements with local legal advisors for support when needed. Key staff are trained in relevant regulatory areas and kept up-to-date via newsletters and other regulatory-specific information.
<b>Regulations and compliance (Regulatory)</b>	Risk of noncompliance with external regulatory requirements, including those related to financial reporting, tax law, data protection (including GDPR), and sustainability.	In order to comply with external reporting requirements, Yubico actively monitors developments in these areas. In addition, product classification work has been carried out to reduce the risks of noncompliance and to ensure access to different markets. Yubico also has agreements with local advisors in financial reporting, tax law, data protection, and sustainability. A sustainability officer has been recruited, and evaluation of Yubico's CSRD readiness is in the works, as is the development of implementation plans for CSRD reporting.
<b>Legal action and liability requirements (Regulatory)</b>	Risk of Yubico being drawn into litigation, including lack of documentation to support its claims.	In order to reduce the risk of Yubico being involved in litigation, Yubico has an internal legal function with relevant knowledge. In addition, there are processes for handling legal actions and liability claims. Yubico has also engaged external legal advisors for support when needed.
<b>External financial and sustainability reporting (Regulatory)</b>	Risk that financial and non-financial reports are not of sufficient quality or presented on time.	Yubico strives for high quality in its external reporting and, in addition to a formalized reporting process, has implemented internal procedures for governance and control of financial reporting and central underlying processes. In addition, a group consolidation and reporting system has been implemented. The finance team has been trained in both financial and sustainability reporting. Implementation of a CSRD reporting plan is ongoing.
<b>Financing and liquidity (Financial)</b>	Risk that Yubico lacks sufficient funding to run the business and pay suppliers, which could affect its reputation and ability to retain employees.	Yubico manages financial risks through a structured and efficient process in line with the established financial policy. In order to reduce the risk of insufficient funding, Yubico has implemented governance and control of the invoicing process to ensure correct invoicing and overview of incoming payments. In addition, Yubico maintains sufficient cash reserves and has staffing within the team to cover for sudden absences in the finance and accounting group.

# The Yubico share and owners

## General information

Yubico AB's share is listed on the Nasdaq Main Market.

**ISIN code:** SE0015657788

**LEI code:** 54930019RBIU9DW59H39

**Ticker:** YUBICO

Pursuant to Yubico's articles of association, the company's share capital shall amount to not less than SEK 150m and not more than SEK 600m and the number of shares shall be no fewer than 50m and no more than 200m. The number of outstanding shares in Yubico amounts to 86,265,718, all of which are ordinary shares. 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.

## Voting rights

Each share in the Company entitles the holder to one vote at the general meeting. Each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

## Rights to dividends and surplus in the event of liquidation

All of the shares in the Company carry equal rights to dividends and to the Company's assets and any surpluses in the event of liquidation. Resolutions regarding any dividends are to be made by the general meeting. Shareholders who are registered in the share register, maintained by Euroclear, on the record date determined by the general meeting are entitled to receive dividend.

## Central securities depository

Yubico'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, P.O. Box 191, SE-101 23 Stockholm, Sweden. No share certificates have been issued for the Company's shares.

## Share capital development

The table on page 36 shows historical changes in the Company's share capital since its formation in 2021 as well as the changes in the number of shares and the share capital that were made in connection with the merger with ACQ Bure.

## Sponsorship warrants

There are 4,200,000 warrants outstanding in Yubico, which were received by Bure Equity in its previous role as a sponsor to ACQ Bure AB. These warrants can be used for subscription of shares no earlier than April 1, 2026 and no later than April 1, 2031, in accordance with the terms of the warrants. Each warrant entitles Bure Equity to subscribe for a (1) share in the company at a subscription price of SEK 130. However, under the warrants Yubico has the right to demand that the number of shares each warrant 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

Yubico's decision as to whether it opts for net strike or not, the dilution for existing shareholders may, at the time of exercise of all warrants, amount to a maximum of approximately 4.9 percent, based on current number of shares. The warrants are subject to recalculation terms, which, inter alia, means that future dividends paid by the Yubico will lead to recalculation which will have the effect that the number of shares that the warrants entitle to will increase.

## Share related incentive programs

Yubico has two long-term incentive programs, LTI 2023, approved by the EGM on September 19, 2023, and LTI 2024, approved by the AGM on May 14, 2024.

The programs are based on performance stock units ("PSUs") and run over three years, with yearly vesting. Each vested PSU entitles the holder to receive one share in the Company. Vesting of PSUs is subject to both a performance condition and continued employment. Participants in the programs 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. There are two series in each program, Series 1 and Series 2, where PSUs in Series 1 are held by participants who reside or are otherwise subject to tax laws in the U.S. and Canada, may be entitled to pay-out of shares under certain conditions already after approximately one year. According to the Remuneration Rules (Rules on Remuneration of the Board and Executive Management and on Incentive Programs) that are adminis-

tered 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. 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.

## LTI 2023

The LTI 2023 program runs until December 2026 and includes 336 senior executives, key personnel and other employees within the Group. The maximum number of PSUs that could be granted amounted to 700,000. The performance condition is based on 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

# Proposal on appropriation of profit

the volume-weighted average share price over a vesting period, 100 percent of the PSUs subject to vesting over such vesting period will vest.

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 LTI 2024 program runs until August 2027 and includes 424 senior executives, key personnel and other employees within the Group. The maximum number of PSUs that could be granted amounted to 700,000. 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.

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.

## Proposal on dividend

The Board of Directors proposes that no dividend be paid for the financial year 2024.

## Approval and adoption

The Annual Report and consolidated financial statements were approved for publication on April 15, 2025. The consolidated profit and loss accounts and statement of financial position as well as the profit and loss accounts and balance sheet of the Parent Company will be put before the Annual General Meeting for adoption on May 13, 2025

At the Annual General Meeting's disposal are the following amounts in SEK:

Share premium reserve	822,955,764
Retained earnings	45,168,956
Profit for the year	312,418,554
<b>Total</b>	<b>1,180,543,274</b>

The Board of Directors proposes that the retained earnings and non-restricted equity be managed as follows:

Carried forward to new account	1,180,543,274
<b>Total</b>	<b>1,180,543,274</b>

## Ownership structure December 31, 2024

Holding by size	Number of shareholders	Number of shares
1–1,000	19,151	1,862,834
1,001–5,000	123	288,379
5,001–10,000	38	289,819
10,001–50,000	61	1,436,561
50,001–100,000	18	1,302,756
100,001–500,000	36	7,775,808
500,001–1,000,000	12	8,426,359
1,000,001–5,000,000	13	28,730,370
5,000,001–10,000,000	1	8,748,938
10,000,001–50,000,000	2	26,268,306
Anonymous	1,690	1,135,588
<b>Total</b>	<b>21,145</b>	<b>86,265,718</b>

## Data per share

	2024
No. of shares	86,265,718
Share price at December 31, SEK	243.00
Equity per share, SEK	18.16
Earnings per share after dilution, SEK	4.20

## Share capital development

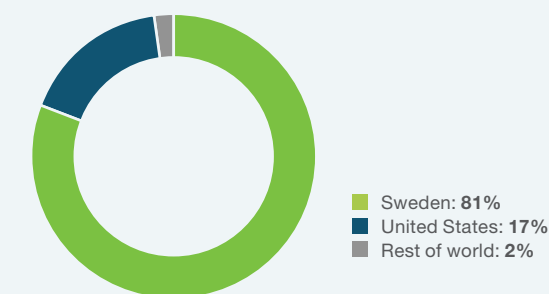
Date <sup>1</sup>	Event	Change in share capital, SEK	Change in number of shares	Share capital after the change, SEK	Number of shares after the change	Quota value, SEK
2020-10-26	Formation	500,000	500,000	500,000	500,000	1
2021-01-27	Reverse share split	–	499,999	500,000	1	500,000
2021-01-27	Share split	–	199,999	500,000	200	2.5
2021-03-24	New share issue	87,000,000	34,800,000	87,500,000	35,000,000	2.5
2023-09-20	New share issue (merger)	127,785,043	51,114,017	215,285,043	86,114,017	2.5
2024-11-26	New share issue	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 (Sw. Bolagsverket).

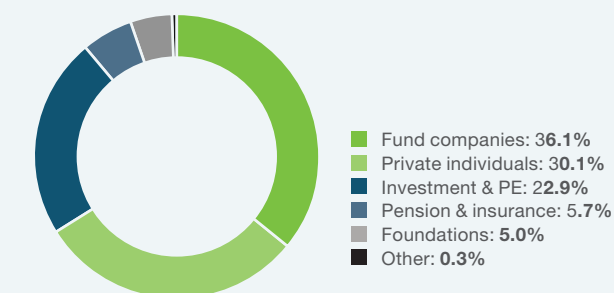
## Largest shareholders December 31, 2024

Shareholder	Number of shares	Holding, %
Bure Equity	15,041,943	17.4
AMF Pension & Fonder	11,226,363	13.0
Stina Ehrensward	8,748,938	10.1
Andreessen Horowitz (A16z)	4,627,174	5.4
Fjärde AP-fonden	3,698,020	4.3
Ramanujam Shriram with family	3,245,487	3.8
SEB Fonder	2,480,793	2.9
Andreas Bechtolsheim	2,206,136	2.6
Johan Hernmarck via company	2,128,356	2.5
Marc R. Benioff Revocable Trust	2,085,840	2.4
<b>The 10 largest shareholders</b>	<b>55,489,050</b>	<b>64.3</b>
Other	30,776,668	35.7
<b>Total</b>	<b>86,265,718</b>	<b>100.0</b>

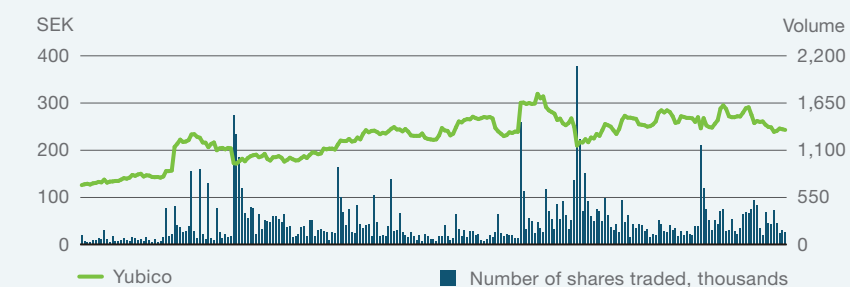
## Ownership by country



## Ownership by type



## Share price development 2024



# Corporate governance report

**The objective of corporate governance is to ensure that Yubico is managed in an efficient manner to create shareholder value. This is achieved through a clear division of responsibilities between the Annual General Meeting, the Board and the executive management, as well as through clear regulations and transparent processes.**

The corporate governance is based on external governing documents such as the Swedish Companies Act, the Annual Accounts Act, Nasdaq Nordic Main Market Rulebook, and the Swedish Corporate Governance Code (the Code) in addition to internal guidelines. Yubico has not deviated from the Code in 2024. Our purpose, guiding principles, vision and Code of Conduct form the basis for internal governance systems. Internal regulations include the Articles of Association, the rules of procedure for the Board of Directors, the instruction for the CEO and several other policy documents that are updated annually.

## Shareholders and the share

Yubico AB is a Swedish public limited liability company registered in Stockholm. The share is listed on Nasdaq Stockholm. Share capital amounts to SEK 215,664,295 spread over 86,265,718 shares. Each share carries one vote. At the end of 2024, Yubico had 21,145 identified shareholders. Bure Equity was the largest shareholder with 17.4 percent of capital and votes at the end of the year. More information on Yubico’s share and shareholders can be found on pages 34–36.

## The Annual General Meeting (AGM)

The AGM is Yubico’s highest decision-making body. All shareholders have the right to participate in the

AGM and to exercise their voting rights relative to their shareholdings. Rules regarding the AGM can be found in the Swedish Companies Act and the Articles of Association. Notice to attend the AGM shall be made four to six weeks prior to the meeting through an announcement in Post och Inrikes Tidningar and in a press release published on Yubico website. Issuance of the notice shall be announced in Svenska Dagbladet. Shareholders who wish to participate in the meeting must submit an application in accordance with information in the official notice.

## 2024 Annual General Meeting

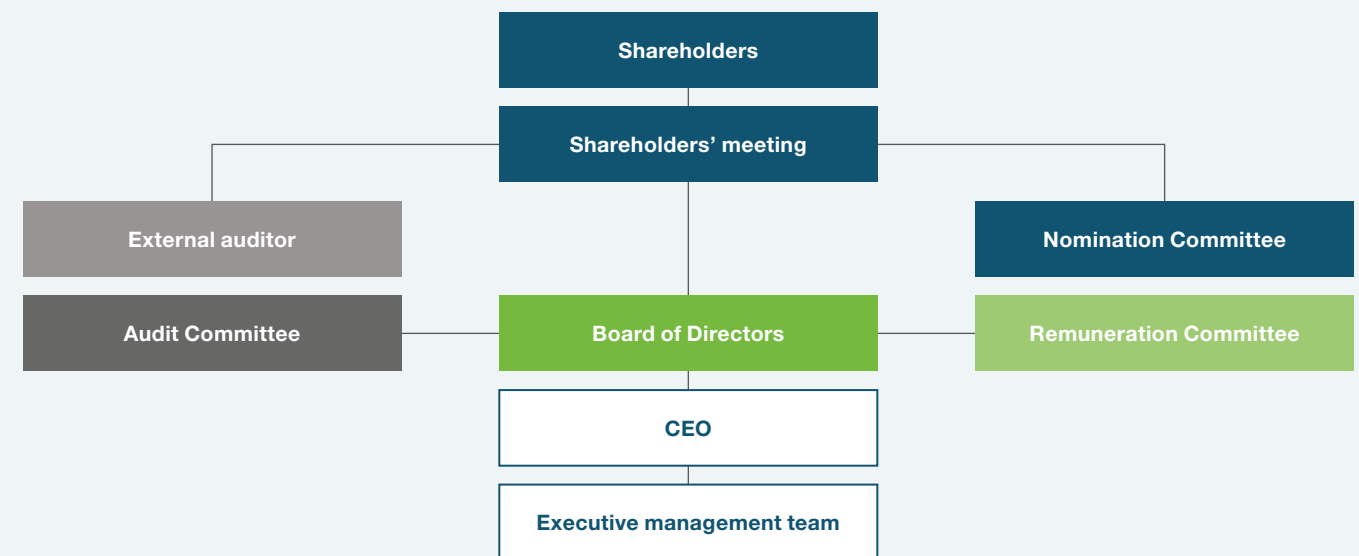
The AGM was held in Stockholm on May 14, 2024 and made the following resolutions:

- Adoption of the balance sheet and the profit and loss accounts.
- Disposal of earnings according to the adopted balance sheet and no dividend is paid.
- Discharge from liability for the Board members and the CEO.
- Approval of the Board’s remuneration report.
- The number of Board members elected by the general meeting shall be seven with no deputy Board members.
- It was resolved that Board fees shall be paid with a total of SEK 3,610,000, to be distributed with SEK 860,000 to the Chairman and with SEK 460,000 to each of the other Board members. In addition, SEK 200,000 shall be allocated as remuneration to the Chair of the Audit Committee, SEK 100,000 to each of the other members of the Audit Committee, SEK 100,000 to the Chair of the Remuneration Committee, and SEK 50,000 to each of the other members of the Remuneration Committee. No remuneration shall be paid to a board member who is employed by the company.

- It was resolved that fees to the auditor shall be paid on an ongoing basis as invoices are approved.
- As Yubico’s Board of Directors, Patrik Tigerschiöld, Stina Ehrensvärd, Gösta Johannesson, Paul Madera, Eola Änggård Runsten and Ramanujam Shriram were re-elected and Jaya Baloo was elected as new member. Patrik Tigerschiöld was re-elected as Board Chairman.
- As Yubico’s auditor the auditing firm Öhrlings Price-waterhouseCoopers AB was re-elected to serve for the period until the 2025 AGM. Magnus Svensson Henryson will continue as Auditor in Charge.

- Principles for the appointment of the Nomination Committee and instructions for the Nomination Committee were approved.
- Guidelines for remuneration of senior executives were adopted.
- It was resolved to adopt a performance share program, including the issuance of warrants and the transfer of warrants to participants or a third party (LTI 2024).

## Overall corporate governance structure



## 2025 Annual General Meeting

The Annual General Meeting will be held on May 13, 2025, in Stockholm.

## Nomination Committee

The Nomination Committee represents the shareholders. Its task, ahead of the AGM, is to produce proposals regarding election of the Chairman of the meeting; decisions on the number of Board members; election of and decisions on fees to Board members, the Chairman of the Board and auditor; election of and decisions on fees to members pertaining to other special committees or councils that the AGM may resolve on appointing; and proposals for principles on appointing a Nomination Committee for resolution by the AGM. In accordance with the adopted instructions by the AGM 14 May 2024, the Chairman of the Board shall, no later than at the end of the third quarter of each year, ensure that Yubico's three largest shareholders or ownership groups, in terms of voting rights, are invited to nominate their own representative to the nomination committee. The determination of voting rights is based on Euroclear Sweden's shareholder list (owner-grouped) and other available owner statistics as of the last banking day in August, or any other documentation that shareholders or ownership groups at this time report as evidence of their shareholding. If one or more shareholders decline to nominate a member to the nomination committee, one or more additional shareholder(s) in subsequent order of ownership shall be offered the opportunity to nominate a member to the nomination committee. However, no more than five additional shareholders need be contacted, unless the Chairman of the Board finds that there are special reasons for doing so.

The composition of the nomination committee shall be made public as soon as it has been appointed.

The Nomination Committee's proposals shall be published on the Yubico's website well in advance of the annual general meeting. The annual evaluation of the Board's work is presented to the Nomination

Committee and form the basis for its work in proposing Board members. The intention is to have an appropriate Board composition, which shall be characterized by versatility and breadth including age, gender, education, background and experience. The Board of Directors is presented on page 42.

The Nomination Committee for the 2025 AGM consists of Carsten Browall, appointed by Bure Equity AB, Patricia Hedelius, appointed by AMF Tjänstepension och Fonder, Stina Ehrensverd, representing herself and Oscar Bergman, appointed by Swedbank Robur Fonder.

## Board of Directors

The Board of Directors has overall responsibility for Yubico's organization and management. The Board monitors operations, ensures a suitable organization, and establishes guidelines for internal control. The Board establishes strategies and goals and makes decisions on major investments. The CEO is appointed by the Board and is responsible for ongoing administration. The responsibilities of the Board are governed by the Swedish Companies Act and in the rules of proce-

cedure. Division of labor between the Board and the CEO is established through written instructions.

The Chair of the Board represents the Board externally as well as internally within Yubico. The Chair shall organize and lead the work of the Board, and ensure that the work is done efficiently and in accordance with applicable legislation and regulations. The Chair shall ensure that board meetings are held when necessary, that the Board's work is evaluated annually and that the Board's decisions are implemented effectively.

The Board held 9 meetings in 2024. In addition to the standard agenda, focus has been the strategy going forward.

## The Board of Directors' committees

The Board established an audit committee and a remuneration committee. The committees' instructions are adopted by the Board. The committees are preparatory bodies of the Board.

## Remuneration committee

The tasks of the remuneration committee include the preparation of proposals on remuneration principles, remunerations, and other employment terms for the executive management. The remuneration committee shall also monitor and evaluate any programs for variable remuneration for the executive management, the application of the guidelines for remuneration to the executive management adopted by the general meeting, as applicable, as well as the current remuneration structures and remuneration levels in Yubico. The remuneration committee has consisted of Patrik Tigerschiöld (Chairman) and Paul Madera.

## Audit committee

The main tasks of the audit committee is to, without otherwise affecting the Board's responsibilities and duties, ensure that a satisfactory level of control over risk management, internal control, accounting and financial reporting exists and ensure that Yubico's

## Board of Directors 2024

Name	Elected	Independent in relation to		Meeting attendance			Fees, SEK <sup>1)</sup>		
		Company and executive management	Major shareholders	Board of Directors	Audit committee	Remuneration committee	The board	Audit committee	Remuneration committee
Patrik Tigerschiöld	2023	Yes	No	9/9		5/5	725.0		62.5
Jaya Baloo	2024	Yes	Yes	6/6			287.5		
Stina Ehrensverd <sup>2)</sup>	2007	No	No	9/9					
Gösta Johannesson	2017	Yes	No	9/9	5/5		381.2	62.5	
Paul Madera	2019	Yes	Yes	9/9		5/5	381.2		31.2
Ramanujam Shriram	2014	Yes	Yes	9/9			381.2		
Eola Änggård Runsten	2023	Yes	Yes	9/9	5/5		381.2	162.5	

1) The fees relate to the period January–December 2024.

2) Stina Ehrensverd is employed by the company, and therefore, no separate board fee is paid.

financial reporting is prepared in accordance with laws, other relevant regulations and applicable accounting standards. The committee shall ensure a maintained, ongoing contact with the external auditor, review the performance and evaluate the work of the external auditor and make recommendations to the nomination committee for the appointment, reappointment or termination of appointment of the external auditor. The committee shall also review and assess the external auditor's independence and objectivity towards Yubico and pay particular attention to whether the auditor provides and is allowed to provide Yubico with services other than auditing. The committee shall inform the Board of the results of the external audit, in what way the audit contributed to the reliability of the financial reports and what function the committee have had. The audit committee has consisted of Eola Änggård Runsten (Chairman) and Gösta Johannesson.

### Evaluation of Board

The Board's work is evaluated annually. The evaluation is done by external evaluation or self-assessment. The objective is to develop, set targets for, and measure the work of the Board, but also to provide the Nomination Committee a basis for the task of preparing proposals on Board appointments to the upcoming AGM. The Chairman of the Board is responsible for the evaluation. In 2024 the evaluation was conducted through self-assessment and concluded in the Board meeting in November 2024.

### The CEO and group management team

The CEO is subordinated to the Board and is responsible for the everyday management and operations of Yubico pursuant to the Swedish Companies Act and the rules of procedure for the Board. The division of work between the Board and the CEO is set out in the rules of procedure for the Board and the CEO's instructions. Matters that in terms of the scope and nature of Yubico's operations are of unusual kind or of great importance do not fall under the definition of

everyday management. The CEO shall prepare necessary information and supporting documents prior to Board meetings and, if instructed by the Chair of the Board, convene the Board. The CEO shall ensure that the board members continuously receive such information that is required in order to assess Yubico's and the group's financial situation and the development. The CEO has appointed an executive management and an extended leadership team to support managing Yubico's operations. The CEO and other members of the executive management are presented on page 43.

### Remuneration to Board of Directors, CEO and executive management team

#### Remuneration to the Board of Directors

Fees and other remuneration to the members of the Board, including the Chair of the Board, are resolved by the general meeting. See further details above, AGM 2024.

The Board members are not entitled to any benefits following resignation of their board assignments.

#### Guidelines for remuneration to the CEO and executive management

At the AGM that was held on May 14, 2024, it was decided to adopt guidelines for remuneration to the CEO and executive management team. A successful implementation of Yubico's business strategy and the safeguarding of Yubico's long-term interests, including its sustainability and gender equality, requires that Yubico can recruit and retain qualified employees. This applies in particular with regard to the fact that Yubico is expected to have a significant part of its operations in the US. Yubico shall therefore apply market based and competitive remuneration levels and terms of employment in order to be able to recruit and retain a management team with high competence and a capacity to achieve set goals. The types of remuneration shall motivate senior executives to do their utmost to safeguard the shareholders' interests. They should also be simple, long-term and

measurable. The remuneration and other terms of employment to senior executives shall be in line with market conditions. The total remuneration may consist of basic salary, variable remuneration, pensions and various other benefits.

The most recently adopted guidelines for remuneration are published on Yubico's website. The Board has prepared a remuneration report that will be presented at the 2025 AGM and published on Yubico's website.

#### Long-term incentive program

The general meeting shall, regardless of the guidelines, be able to decide on share and share price related incentive programs for senior executives. An incentive program shall aim to improve the participants' commitment to Yubico's development and be implemented on market terms.

The AGM held on May 14, 2024, resolved, in accordance with the Board's proposal, to implement a long-term incentive program for 2024 ("LTI 2024"). The program is based on performance share units ("PSUs") and includes 424 senior executives, key individuals, and other employees within the Yubico Group. In 2023, a long-term incentive program ("LTI 2023") was introduced, which is also based on performance stock units ("PSUs") and includes 336 senior executives, key personnel, and other employees within Yubico Group. See further information on pages 34-35.

#### External audit

The auditor is appointed by the AGM to review Yubico's annual financial statements and the consolidated accounts, as well as the Board's and CEO's administration. Audits are conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. The auditor meets with the Audit Committee on an ongoing basis and with the entire Board annually. The auditor submits the Auditor's report to shareholders at the AGM. In 2024, the auditor performed, in addition

to the audit, a summary review of the third quarter report and reviews related to Yubico changing listing from Nasdaq First North Growth Market to Nasdaq Stockholm. Fees to the auditor are paid on an ongoing basis. Refer to Note 7 for information on auditor remuneration.

### Internal control of financial reporting

The Board's responsibilities regarding the internal control are regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. The responsibility and duties of the Board cannot be transferred to any other party. The Board's duties include ensuring that there is an effective system for follow-up and control of Yubico's operations. The Board must also stay informed of Yubico's internal control procedures and ensure that the internal control is evaluated.

Yubico's internal control regarding the financial reporting is designed to manage risks and ensure a high level of reliability in the processes around the preparation of the financial reports and to ensure compliance with the applicable reporting requirements and other requirements for Yubico as a listed company.

#### Control environment and control activities

The control environment consists of a suitable organization, decision-making procedures, authorization and responsibilities, as expressed in policies and guidelines. Common values provide consensus with the intention of strengthening internal control. Yubico's Code of Conduct describes the approach that employees are expected to maintain in matters relating to business ethics and social issues. Examples of steering documents include the rules of procedure for the Board and its committees, the CEO

instruction issued by the Board, the delegation of authority with principles, Code of Conduct, insider and communication policies, risk policy and internal control policy. The Group's finance organization is centralized and handling all group companies in the same ERP system. Follow-up of earnings, balances and cashflow are made monthly against budget and forecast. Clear documentation via policies and instructions together with recurrent follow-ups and regular discussions with the auditors ensure continuous efforts to improve these processes.

**Risk assessment**

Included in risk assessment is the identification and evaluation of the risk for material misstatements in accounting and reporting and the risks of irregularities and fraud. When assessing risks that affect internal control as it relates to financial reporting, the evaluation is based on likelihood and impact. Critical processes are evaluated with respect to their efficiency and risk. During 2024, extensive work has been carried out to formalize Yubico's internal controls and risk management based on COSO's five components: control environment, risk assessment, control activities, information and communication, and monitoring. An annual evaluation and update are reported back to the Audit Committee and the Board of Directors.

**Internal audit**

Based on the risk assessment and design of control activities described above, which include internal control reporting and its follow-up, the Board has decided not to establish a separate internal audit function. This is evaluated annually.

**Information and communication**

Yubico has routines, essential policies and instructions, that have been designed to ensure that the financial reporting is correct, updated and communicated on an ongoing basis. There are both formal and informal information channels to the Board for essential information from the executive management, including information regarding financial position and results on a monthly basis. Other vital information regarding for example ongoing or future investments, key administration matters and potential key risks will be reported to the Board upon occurrence.

The external financial reporting is published in accordance with applicable regulations. The Board approves the Group's annual and sustainability report and year-end report, as well as issues quarterly reports.

For external communication, there are guidelines set out in the Communication as well as the Insider Policy that ensure that Yubico meets the requirements for correct information to the market.

Internal communication channels include, among other things, the intranet and chat tools. Employees receive annual training on Yubico's policies through e-learning and other means for tracking implementation.

**Yearly Board activities**

**Fourth quarter**

- Interim report (Q3)
- Full year forecast (FY3)
- Meeting with the auditor
- Audit report full year
- Assessment of internal control, incl. internal audit function
- Evaluation of the board
- Evaluation of the CEO and the executive management
- Budget for the next year

**Third quarter**

- Interim report (Q2)
- Full year forecast (FY2)
- Strategy

**Second quarter**

- Meeting with the auditor
- Audit report
- Annual report incl. governance and sustainability
- Proposal regarding allocation of profit/loss
- Notice to the AGM
- Incentive schemes
- Interim report (Q1)
- Full year forecast (FY1)
- Risks and risk management
- Human Resources
- Market update

**First quarter**

- Year-end report (Q4)
- Outcome full year bonus

**Statutory meeting**

- Board of Directors' work procedures
- CEO instructions
- Policies



# Guidelines for remuneration to senior executives

## Guidelines for remuneration to senior executives 2024

These guidelines were adopted by the 2024 AGM. The guidelines cover members of the Board of Directors, the CEO and other members of the senior management in accordance with 9.9 of the Swedish Corporate Governance Code. The guidelines shall apply to remuneration agreed, and to changes made to remuneration already agreed, after the guidelines have been adopted by the Annual General Meeting on May 14, 2024. The guidelines do not apply to remuneration decided by the general meeting. The Board of Directors shall have the right to decide to deviate temporarily, in whole or in part, from the guidelines if there are special reasons for doing so in an individual case and a deviation is necessary to meet the long-term interests and sustainability of the company or to ensure the financial viability of the company. Any such deviation shall be disclosed in the remuneration report to the next Annual General Meeting. The guidelines shall apply until further notice, but at the latest until the Annual General Meeting in 2028.

### Guidelines that promote the company's business strategy, long-term interests, and sustainability

Yubico's strategy is available at the company's website, <https://investors.yubico.com/en/>. A successful implementation of the company's strategy and the safeguarding of the company's long-term interests, including its sustainability and gender equality, requires that the company can recruit and retain qualified employees. This applies in particular with regard to the fact that the company has a significant part of its operations in the US. The company shall therefore apply market based and competitive remuneration levels and terms of employment in order to be able to recruit and retain a management team with high competence and a capacity to achieve set goals. The types of remuneration shall motivate senior executives to do their utmost to safeguard

the shareholders' interests. They should also be simple, long-term and measurable.

### Types of remuneration etc.

The remuneration and other terms of employment to senior executives shall be in line with market conditions. The total remuneration may consist of basic salary, variable remuneration, pensions and various other benefits.

#### Fixed basic salary

The fixed salary for senior executives shall be in line with market practice and based on competence, responsibility and performance.

#### Variable remuneration

Variable remuneration may be paid to senior executives where the board considers that it encourages the right behaviors and does not jeopardize long-term value creation. The variable remuneration should reward target-related performance. An outcome shall be related to the fulfilment of the company's financial targets and other measurable targets that support long-term shareholder value. The targets set out should mainly be common to senior executives but may also relate to individual performance to a limited extent. The measurement period for variable remuneration shall, as a rule, be based on performance over a period of approximately twelve months. Variable remuneration to the CEO may amount to up to 100 percent of the fixed basic salary and may, for other senior executives, amount to up to 50 percent of the fixed basic salary and shall in both cases be non-pensionable. Nevertheless, variable remuneration may, as an exception on an individual basis, amount to up to 100 percent of the fixed basic salary in relation to senior executives other than the CEO whose remuneration is to a significant extent commission-based or where this is deemed necessary with regards to local market practice and the responsibilities and tasks of the senior executive.

### Share or share price related incentive programs

The general meeting shall, regardless of the guidelines, be able to decide on share and share price related incentive programs for senior executives. An incentive program shall aim to improve the participants' commitment to the company's development and be implemented on market terms. Information regarding the company's outstanding share and share price related incentive programs is available at the company's website <https://investors.yubico.com/en/>.

### Pension and other benefits

The terms and conditions of senior executives' pensions must be based on defined contribution pension solutions. The non-monetary benefits of senior executives must facilitate the work performance of senior executives and correspond to what can be considered reasonable in relation to market practice in the market where each senior executive is active. Premiums and other costs related to such benefits may in total amount to a maximum of ten percent of the fixed annual cash salary.

### Notice period and severance pay

Upon termination of the employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not, in aggregate, exceed an amount corresponding to the fixed cash salary for eighteen months for the CEO and twelve months for other senior executives. In the event of termination by the executive the notice period may not exceed six months with no right to severance pay.

### Salary and conditions of employment

In the preparation of the Board of Directors' proposal for these guidelines for remuneration, the salary and conditions of employment for the company's employees have been taken into account by including information on the employees' total remuneration, the components of the remuneration and the increase

pace of the remuneration over time as part of the remuneration committee's and the Board of Directors' basis for resolution when evaluating the reasonableness of the guidelines and the limitations resulting from them.

### Remuneration to the board, in addition to board fees decided by the general meeting

Members of the board elected by the general meeting shall in special cases be able to receive fees and other compensation for work performed on behalf of the company, alongside the work of the board. Remuneration in line with market conditions shall be able to be paid for such services, subject to approval by the board. These guidelines shall be applied on such remuneration.

### The decision process

The board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for remuneration to senior executives as well as any deviation from the guidelines. The board shall prepare a proposal for new guidelines at least every fourth year and present the proposal for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent from the company and its executive management. In the board's work regarding remuneration related matters, the CEO or other members of the executive management are not present in so far the questions concern their own remuneration.

# Board of Directors



## Patrik Tigerschiöld

Chairman of the Board since 2023

**Born:** 1964

**Education and professional experience:** M.Sc. in Business and Economics from Stockholm University. Former CEO of Bure Equity AB (publ) and Skanditek AB and prior CEO at SEB Allemansfonder.

**Other assignments:** Chairman of the Board of Bure Equity AB, Mycronic AB and Cavotec S/A and Studieförbundet Näringsliv och Samhälles (SNS). Board member of IVA, ingenjörsakademien.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 15,111,943 shares and 4,200,000 sponsor warrants.<sup>2</sup>

*Independent in relation to Yubico and its management, but not independent in relation to major shareholders.*

<sup>2</sup>) Including Bure Equity's holding of shares and sponsor warrants in the Company.



## Jaya Baloo

Director since 2024

**Born:** 1973

**Education and professional experience:** DR. H.C., University of Twente, Netherlands and International Relations, Tufts University, Boston, USA. Previously Chief Security Officer (CSO) at Rapid7. Former Chief Information Security Officer (CISO) at Avast and KPN. Former Vice Chair of the EU Quantum flagship. Many years of experience from working in the field of information security.

**Other assignments:** Board member at Cyber Threat Alliance, TIN Capital and Dutch Institute for Vulnerability Disclosure. Faculty member at Singularity University.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** –

*Independent in relation to Yubico and its management, and not independent in relation to major shareholders.*



## Stina Ehrensvärd

Director since 2007

**Born:** 1967

**Education and professional experience:** Education in industrial product design from the University of the Arts, Crafts and Designs, Sweden. Co-founder of Yubico AB.

**Other assignments:** Founder of The Siros Foundation.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 9,310,739 and 13,445 PSUs under Yubico's share related program

*Not independent in relation to Yubico and its management, and not independent in relation to major shareholders.*



## Gösta Johannesson

Director since 2017

**Born:** 1959

**Education and professional experience:** B.Sc. Business and Economics from Uppsala University, and AMP from Wharton Business School. Former Partner at Provider Venture Partners, prior executive positions at Öhman Fondkommission and Handelsbanken Markets. More than 25 years of experience working with investments and, prior to that, 17 years in investment banking.

**Other assignments:** Chairman of the Board of Xvivo Perfusion AB. Board member Mentice AB, PG Advice AB, Nodica Group AB and Floribus Invest AB. Senior adviser Bure Equity AB.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 238,761

*Independent in relation to Yubico and its management, but not independent in relation to major shareholders.*



## Paul Madera

Director since 2019

**Born:** 1956

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

**Other assignments:** General Partner Meritech Capital Partners. Board member Air Force Academy Foundation, DataStax Inc., Filevine Inc., GuideCX Inc., Icertis Inc., and Kinetica DB Inc.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 1,948,827

*Independent in relation to Yubico and its management, as well as independent in relation to major shareholders.*



## Ramanujam Shriram

Director since 2014

**Born:** 1957

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

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

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 3,245,068

*Independent in relation to Yubico and its management, as well as independent in relation to major shareholders.*



## Eola Änggård Runsten

Director since 2023

**Born:** 1965

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

**Other assignments:** Chairman of the Board Caybon Holding AB. Board member of Softronic AB, Mentice AB, DIB Services AB, ILT Group AB.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 2,000

*Independent in relation to Yubico and its management, as well as independent in relation to major shareholders.*

<sup>1</sup>) Shareholding as of December 31, 2024.

# Executive leadership team



## Mattias Danielsson Chief Executive Officer

Employed since 2010

**Born:** 1971

**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, previous Board member and CEO of Tradera, and previous co-founder of Avito AB.

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

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 547,391 shares and 58,000 PSUs under Yubico's share related program



## Camilla Öberg Chief Financial Officer

Employed since 2020

**Born:** 1964

**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 Cybercom, Logica Holdings AB, and WM Data.

**Other assignments:** Chairman of the Board of Southside Stories AB. Board Member of Xvivo Perfusion Aktiebolag, Investment AB Vålnäsland, and Instalco AB.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 18,725 shares and 26,500 PSUs under Yubico's share related program



## Jerrod Chong Chief Operating Officer

Employed since 2013

**Born:** 1974

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

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 262,259 shares and 47,333 PSUs under Yubico's share related program



## Carl Helle Chief Revenue Officer

Employed since 2024

**Born:** 1966

**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.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 130,000 PSUs under Yubico's share related program



## Giles House Chief Marketing Officer

Employed since 2024

**Born:** 1982

**Education and professional experience:** B.Sc Electronic engineering from the University of Southampton. Chief Marketing Officer and Chief Product Officer at A-LIGN, Executive Vice President of Sales Cloud at SAP and Chief Marketing Officer at Callidus Cloud.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 25,000 PSUs under Yubico's share related program



## Henrik Lejdebom General Counsel

Employed since 2018

**Born:** 1976

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

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 54,714 shares and 25,900 PSUs under Yubico's share related program



## Chad Thunberg Chief Information and Security Officer

Employed since 2019

**Born:** 1978

**Education and professional experience:** More than 26 years of experience in information security and leadership. Previously at Leviathan Security Group, Washington Mutual and Guardent.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 23,128 shares and 11,667 PSUs under Yubico's share related incentive program



## Emanuela Todaro Chief People Officer

Employed since 2017

**Born:** 1971

**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 a focus on the tech sector, including positions at Accellion and Embrane among others.

**Shareholding in Yubico (own and closely related parties' holdings)<sup>1</sup>:** 67,117 shares and 28,667 PSUs under Yubico's share related program

<sup>1</sup>) Shareholding as of December 31, 2024.

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# Consolidated Financial statements

## Income statement

SEKm	Note	2024	2023
Net sales	3	2,326.2	1,827.3
Cost of sales	5	-428.7	-368.7
<b>Gross profit</b>		<b>1,897.5</b>	<b>1,458.6</b>
Research and development	5, 6	-336.1	-274.1
Selling expenses	5, 6	-836.0	-649.4
Administrative expenses	5, 6	-293.5	-268.8
Transaction related expenses	5, 6, 24	–	-87.2
Other operating income	4	110.5	47.8
Other operating expenses	4	-104.9	-47.8
<b>Operating profit (EBIT)</b>	5, 6, 7	<b>437.5</b>	<b>179.1</b>
Financial income	8	28.4	12.4
Financial expenses	8	-3.8	-11.3
<b>Net financial income/expense</b>		<b>24.6</b>	<b>1.1</b>
<b>Profit/loss before tax</b>		<b>462.1</b>	<b>180.2</b>
Tax	9	-90.4	-49.6
<b>Net profit/loss for the year</b>		<b>371.7</b>	<b>130.6</b>
Earnings per share before dilution, SEK		4.32	2.19
Earnings per share after dilution, SEK		4.20	2.19
Weighted average number of shares, before dilution, million	22	86.1	59.7
Weighted average number of shares, after dilution, million	22	88.6	59.7

## Consolidated statement of comprehensive income

SEKm	Note	2024	2023
<b>Net profit/loss for the year</b>		<b>371.7</b>	<b>130.6</b>
<b>Other comprehensive income</b>			
<i>Items to be reclassified to profit/loss, after tax</i>			
Translation differences at translating foreign entities		18.2	-2.5
Tax relating to translation differences		2.3	–
<b>Total comprehensive income</b>		<b>392.2</b>	<b>128.1</b>

Net profit for the year, total comprehensive income and equity are attributable in their entirety to the owners of the Parent Company. There are no non-controlling interests.

## Balance sheet

SEKm	Note	2024-12-31	2023-12-31
<b>Assets</b>			
<i>Total non-current assets</i>			
Intangible assets	10	14.7	7.2
Property, plant and equipment	11	82.5	63.1
Non-current receivables		7.1	6.1
Deferred tax assets	9	85.1	61.2
<b>Total non-current assets</b>		<b>189.4</b>	<b>137.6</b>
<i>Current assets</i>			
Inventories	13	690.1	501.0
Accounts receivable	14	415.1	191.9
Current tax asset	9	10.7	1.0
Other assets		22.1	49.2
Prepaid expenses and accrued income		57.4	52.8
Cash and cash equivalents	17, 19	824.1	547.3
<b>Total current assets</b>		<b>2,019.6</b>	<b>1,343.2</b>
<b>Total assets</b>		<b>2,209.0</b>	<b>1,480.7</b>

SEKm	Note	2024-12-31	2023-12-31
<b>Equity</b>			
Share capital		215.7	215.3
Translation reserve		26.6	6.1
Other contributed capital		822.9	822.9
Retained earnings incl. net profit for the year		501.0	78.4
<b>Total Equity</b>		<b>1,566.2</b>	<b>1,122.8</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	17	0.0	26.0
Non-current lease liabilities	12, 17	36.5	18.7
Other non-current liabilities		6.9	–
Deferred tax liabilities	9	6.6	2.6
<b>Total non-current liabilities</b>		<b>50.0</b>	<b>47.3</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	17	–	13.0
Current lease liabilities	12, 17	15.8	16.3
Advance payments from customers	3	34.1	7.9
Accounts payable		45.2	66.7
Current tax liability	9	45.3	22.9
Other liabilities	17	47.1	42.2
Accrued expenses and deferred income	16	405.3	141.6
<b>Total current liabilities</b>		<b>592.7</b>	<b>310.6</b>
<b>Total liabilities</b>		<b>642.7</b>	<b>357.9</b>
<b>Total equity and liabilities</b>		<b>2,209.0</b>	<b>1,480.7</b>

## Cash flow statement

SEKm	Note	2024	2023
<b>Operating activities</b>	19		
Profit/loss before tax		462.1	180.2
Adjustments for non-cash items		66.8	94.7
Income tax paid		-97.0	-21.0
<b>Cash flow from operating activities before working capital changes</b>		<b>431.8</b>	<b>254.0</b>
<i>Changes in working capital</i>			
Change in inventories		-175.6	-335.7
Change in accounts receivables		-204.1	204.8
Change in other current receivables		25.3	97.8
Change in accounts payable		-22.2	-25.3
Change in other current liabilities		288.6	-81.5
<b>Total changes in working capital</b>		<b>-88.0</b>	<b>-139.9</b>
<b>Cash flow from operating activities</b>		<b>343.8</b>	<b>114.1</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-12.2	-0.2
Acquisition of property, plant and equipment		-47.1	-12.9
Acquisition of subsidiaries/businesses, net cash effect	24	-	3,423.5
Divestments in intangible assets and property, plant and equipment		0.0	0.0
Other items		-0.7	0.2
<b>Cash flow from investing activities</b>		<b>-60.0</b>	<b>3,410.6</b>

SEKm	Note	2024	2023
<b>Financing activities</b>			
Stock options exercised		-	430.4
New share issue		-	142.7
Borrowings		33.2	-
Repayment of loans		-55.0	-29.5
Dividends paid to Parent Company shareholders	24	-	-3,802.9
<b>Cash flow from financing activities</b>		<b>-21.8</b>	<b>-3,259.3</b>
<b>Cash flow for the year</b>		<b>262.0</b>	<b>265.4</b>
<b>Cash and cash equivalents</b>			
At the beginning of the year		547.3	283.5
Cash flow for the year		262.0	265.4
Exchange difference in cash and cash equivalents		14.7	-1.6
<b>Cash and cash equivalents at the end of the year</b>		<b>824.1</b>	<b>547.3</b>

## Statement of changes in equity

2024, SEKm	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net profit for the year	Total equity
<b>Opening balance Jan 1, 2024</b>	<b>215.3</b>	<b>822.9</b>	<b>6.1</b>	<b>78.4</b>	<b>1,122.8</b>
Net profit/loss for the year	–	–	–	371.7	371.7
<b>Other comprehensive income</b>					
Translation differences	–	–	20.5	–	20.5
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>20.5</b>	<b>371.7</b>	<b>392.2</b>
<b>Transactions with owners</b>					
New share issue	0.4	–	–	-0.4	–
Employee stock options – value of employees' services	–	–	–	51.2	51.2
<b>Total transactions with owners</b>	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>50.8</b>	<b>51.2</b>
<b>Closing balance Dec 31, 2024</b>	<b>215.7</b>	<b>822.9</b>	<b>26.6</b>	<b>501.0</b>	<b>1,566.2</b>

2023, SEKm	Share capital, new share issue in progress	Other contributed capital	Translation reserve	Retained earnings incl. net profit for the year	Total equity
<b>Opening balance Jan 1, 2023</b>	<b>0.4</b>	<b>799.2</b>	<b>8.6</b>	<b>-82.4</b>	<b>725.8</b>
Net profit/loss for the year	–	–	–	130.6	130.6
<b>Other comprehensive income</b>					
Translation differences	–	–	-2.5	–	-2.5
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>-2.5</b>	<b>130.6</b>	<b>128.1</b>
<b>Transactions with owners</b>					
New share issue, exercise of options	0.0	9.7	–	–	9.7
New share issue in progress, exercise of options	0.0	0.0	–	–	0.0
Employee stock options – value of employees' services	–	–	–	30.3	30.3
<b>Merger related transactions</b>					
New share issues	127.8	5.2	–	–	133.0
Merger adjustment	87.1	-87.1	–	–	–
Exercise of stock options and warrants	–	430.4	–	–	430.4
Market value of ACQ Bure in merger <sup>1</sup>	–	3,468.5	–	–	3,468.5
Consideration to Yubico share holders <sup>1</sup>	–	-3,802.9	–	–	-3,802.9
<b>Total merger related transactions</b>	<b>214.9</b>	<b>14.1</b>	<b>–</b>	<b>–</b>	<b>229.0</b>
<b>Total transactions with owners</b>	<b>214.9</b>	<b>23.8</b>	<b>–</b>	<b>30.3</b>	<b>269.0</b>
<b>Closing balance Dec 31, 2023</b>	<b>215.3</b>	<b>822.9</b>	<b>6.1</b>	<b>78.4</b>	<b>1,122.8</b>

1) Related to the merger between Yubico AB and ACQ Bure. For further information, see note 24.

# Financial statements Parent Company

## Income statement

SEKm	Note	2024	2023
Net sales	3	1,183.4	976.0
Cost of sales	5	-292.7	-322.8
<b>Gross profit</b>		<b>890.8</b>	<b>653.1</b>
Research and development	5, 6	-188.8	-143.4
Selling expenses	5, 6	-204.7	-142.1
Administrative expenses	5, 6	-162.3	-130.6
Transaction related expenses	5, 6, 24	-	-63.7
Other operating income	4	108.5	46.3
Other operating expenses	4	-103.4	-47.4
<b>Operating profit (EBIT)</b>	5, 6, 7	<b>340.0</b>	<b>172.2</b>
Financial income	8	48.9	23.7
Financial expenses	8	-2.0	-9.3
<b>Net financial income/expense</b>		<b>46.9</b>	<b>14.4</b>
<b>Profit/loss before tax</b>		<b>386.8</b>	<b>186.6</b>
Tax	9	-74.4	-43.9
<b>Net profit/loss for the year</b>		<b>312.4</b>	<b>142.8</b>

## Parent Company statement of comprehensive income

SEKm	Note	2024	2023
<b>Net profit/loss for the year</b>		<b>312.4</b>	<b>142.8</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>312.4</b>	<b>142.8</b>

## Balance sheet

SEKm	Note	2024-12-31	2023-12-31
<b>Assets</b>			
<i>Total non-current assets</i>			
Intangible assets	10	4.9	7.2
Property, plant and equipment	11	25.6	19.7
Participation in Group companies	20	37.6	0.3
Receivables from Group companies	21	–	133.0
Non-current receivables		4.8	4.0
Deferred tax assets	9	50.4	47.6
<b>Total non-current assets</b>		<b>123.3</b>	<b>211.7</b>
<i>Current assets</i>			
Inventories	13	541.6	358.0
Accounts receivable	14	76.1	86.0
Receivables from Group companies		32.0	27.6
Current tax asset	9	–	–
Other assets		14.0	40.6
Prepaid expenses and accrued income	15	17.8	30.1
Cash and cash equivalents	17,19	746.9	476.6
<b>Total current assets</b>		<b>1,428.5</b>	<b>1,018.9</b>
<b>Total assets</b>		<b>1,551.7</b>	<b>1,230.6</b>

SEKm	Note	2024-12-31	2023-12-31
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		215.7	215.3
<i>Non-restricted equity</i>			
Free share premium reserve		823.0	823.0
Retained earnings		45.2	-148.5
Net profit for the year		312.4	142.8
<b>Total Equity</b>		<b>1,396.2</b>	<b>1,032.6</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	17	–	26.0
Other non current liabilities		5.8	–
<b>Total non-current liabilities</b>		<b>5.8</b>	<b>26.0</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	17	–	13.0
Advance payments from customers	3	0.2	0.3
Accounts payable		35.4	58.2
Liabilities to Group companies		3.9	26.7
Current tax liability	9	41.6	25.3
Other liabilities	17	20.5	14.6
Accrued expenses and deferred income	16	48.2	33.9
<b>Total current liabilities</b>		<b>149.8</b>	<b>172.0</b>
<b>Total liabilities</b>		<b>155.5</b>	<b>198.0</b>
<b>Total equity and liabilities</b>		<b>1,551.7</b>	<b>1,230.6</b>

## Cash flow statement

SEKm	Note	2024	2023
<b>Operating activities</b>	19		
Profit/loss before tax		386.8	186.7
Adjustments for non-cash items		-3.1	52.7
Income tax paid		-46.3	-15.1
<b>Cash flow from operating activities before working capital changes</b>		<b>337.4</b>	<b>224.2</b>
<i>Changes in working capital</i>			
Change in inventories		-183.6	-277.5
Change in other current receivables		177.3	172.3
Change in other current liabilities		-20.4	-23.5
<b>Total changes in working capital</b>		<b>-26.7</b>	<b>-128.8</b>
<b>Cash flow from operating activities</b>		<b>310.7</b>	<b>95.4</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-0.3	-4.7
Acquisition of property, plant and equipment		-13.0	-0.2
Acquisition of subsidiaries/businesses, net cash effect	24	-	3,423.5
<b>Cash flow from investing activities</b>		<b>-13.2</b>	<b>3,418.6</b>

SEKm	Note	2024	2023
<b>Financing activities</b>			
Stock options exercised		-	430.4
New share issue		-	142.8
Repayment of loans		-39.0	-13.0
Dividends paid to Parent Company shareholders	24	-	-3,802.9
<b>Cash flow from financing activities</b>		<b>-39.0</b>	<b>-3,242.8</b>
<b>Cash flow for the year</b>		<b>258.4</b>	<b>271.2</b>
<b>Cash and cash equivalents</b>			
At the beginning of the year		476.6	217.7
Cash flow for the year		258.4	271.2
Exchange difference in cash and cash equivalents		11.9	-12.3
<b>Cash and cash equivalents at the end of the year</b>		<b>746.9</b>	<b>476.6</b>

## Consolidated statement of changes in equity

2024, SEKm	Restricted equity	Non-restricted equity		Total equity
	Share capital	Other contributed capital	Retained earnings incl.net profit for the year	
<b>Opening balance Jan 1, 2024</b>	<b>215.3</b>	<b>822.9</b>	<b>-5.7</b>	<b>1,032.6</b>
Net profit/loss for the year	–	–	312.4	312.4
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>312.4</b>	<b>312.4</b>
<b>Transactions with owners</b>				
New share issue, exercise of options	0.4	–	-0.4	–
Employee stock options – value of employees' services	–	–	51.2	51.2
<b>Total transactions with owners</b>	<b>0.4</b>	<b>–</b>	<b>50.8</b>	<b>51.2</b>
<b>Closing balance Dec 31, 2024</b>	<b>215.7</b>	<b>822.9</b>	<b>357.5</b>	<b>1,396.2</b>
Number of shares at the beginning of the period	86,114,017			
New share issue	151,701			
Number of shares at the end of the period	86,265,718			
Quota value, SEK	2.50			

All shares are ordinary shares.

2023, SEKm	Restricted equity	Non-restricted equity		Total equity
	Share capital	Other contributed capital	Retained earnings incl.net profit for the year	
<b>Opening balance Jan 1, 2023</b>	<b>0.4</b>	<b>799.2</b>	<b>-148.5</b>	<b>651.1</b>
Net profit/loss for the year	–	–	142.8	142.8
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>142.8</b>	<b>142.8</b>
<b>Transactions with owners</b>				
New share issue, exercise of options	0.0	9.7	–	9.7
New share issue in progress, exercise of options	0.0	0.0	–	0.0
Merger related transactions				
New share issues	127.8	5.2	–	133.0
Merger adjustment	87.1	-87.1	–	–
Exercise of stock options and warrants	–	430.4	–	430.4
Market value of ACQ Bure in merger <sup>1</sup>	–	3,468.5	–	3,468.5
<b>Consideration to Yubico share holders<sup>1</sup></b>	<b>–</b>	<b>-3,802.9</b>	<b>–</b>	<b>-3,802.9</b>
<b>Total merger related transactions</b>	<b>214.9</b>	<b>14.1</b>	<b>–</b>	<b>229.0</b>
<b>Total transactions with owners</b>	<b>214.9</b>	<b>23.8</b>	<b>–</b>	<b>238.7</b>
<b>Closing balance Dec 31, 2023</b>	<b>215.3</b>	<b>822.9</b>	<b>-5.7</b>	<b>1,032.6</b>

<sup>1)</sup> Related to the merger between Yubico AB and ACQ Bure; for further information, see note 24.

# Notes

Amounts in SEKm unless otherwise stated

## Note 1 Basis for preparation of the financial statements

These consolidated financial statements concern the Swedish Parent Company Yubico AB (“Yubico”), with business registration number 559278-6668, and its subsidiaries. Yubico is a global cybersecurity company whose mission is to make the internet safer for everyone. The business consists of providing cybersecurity and security products and services related to authentication and other related business activities. The head office is located at Gävlegatan 22, 113 30 Stockholm, Sweden.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB®) and IFRIC® Interpretations issued by the IFRS Interpretations Committee, as adopted by the European Union (EU). The Group also applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 “Supplementary Accounting Rules for Groups” issued by the Swedish Sustainability and Financial Reporting Board.

Unless otherwise stated, the accounting policies set out in note 2 have been applied consistently to all periods presented.

New or amended standards requiring future application have not been applied prematurely. IFRS 18 Presentation and Disclosure in Financial Statements has been adopted by the IASB for application from January 1, 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 imposes new requirements for disclosures in the notes, which include performance-based key figures. Other new and amended standards published by the IASB are not expected to have a material impact on the consolidated financial statements.

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

## Note 2 Accounting policies

### GROUP ACCOUNTING POLICIES

#### Consolidation

##### Subsidiary

Subsidiaries are all entities over which Yubico has a controlling interest. In the Yubico Group, all subsidiaries are 100 percent controlled by the Parent Company Yubico AB.

#### Translation of foreign subsidiaries

Assets and liabilities of 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 exchange rate that is an approximation of the exchange rates prevailing at the respective transaction dates. Translation differences arising from the currency 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 multifactor authentication (MFA) security key that ensures that only authorized users have access to sensitive accounts and systems. YubiKeys are sold to the customer and consist of sole ownership of the hardware and the integrated software downloaded to the key. The software component constitutes a perpetual license to use Yubico’s intellectual property rights as they are on the date of the agreement, without the right to upgrade. The integration of the key and the software, together, constitutes the security protection. The key, consisting of the hardware and the right to use the license, constitutes a single, packaged and distinct performance commitment. The performance obligation is satisfied at the time of delivery, and revenue is recognized at that time. Deployment support is not included in the promise to transfer keys, and commissioning does not need to be performed by Yubico. The customer can deploy itself or use an external third party for deployment services. The customer may choose to order commissioning support from Yubico and pay for this service at the market rate per hour. Commissioning services performed by Yubico, if any, are

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 for an agreed number of YubiKeys and guaranteed functionality in line with the agreed specification during the term of the agreement. 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. Service contracts are normally for a period of three years with the possibility for the customer to extend for a further three-year period, which is normally exercised. The extension option is not considered a separate performance obligation. Subscription services are invoiced and paid annually in advance. Management believes 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 rights through the license and use of the hardware during the term of the agreement. Consequently, the revenue is recognized on a straight-line basis over the term of the agreement. The commissioning 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 used 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.

Shipping is charged separately and constitutes 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 agreements.

#### 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 con-

**Note 2 Accounting policies, cont.**

tributions to defined contribution plans are recognized as an expense in the income statement as they are earned by the employees rendering services to the Group during the period. No defined benefit pension plans exist within the Group.

**Share-based payments**

Yubico has a long-term incentive program based on performance share units (PSUs) for senior executives, key employees and other employees in the Group. Prior to the merger with ACQ Bure in September 2023, Yubico also had an incentive program for employees in the U.S. that included employee stock options.

The cost of these equity-settled transactions is the fair value at the time the contract is entered into. 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 share awards at the balance sheet 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 are calculated by dividing the profit or loss for the period attributable to equity holders of the Parent Company, 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 to 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 management, it is probable that it will result in future economic benefits for 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 calculated using the straight-line method over the estimated useful life

of the asset. For the financial years 2024 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, business systems and contract assets. Other intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses. Depreciation is calculated using the straight-line method 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. Contract assets are amortized over the agreement term, 3-5 years.

**Property, plant and equipment**

Property, plant and equipment are recognized 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 calculated using the straight-line method over the estimated useful life of the asset. The estimated lifetime of equipment, tools and installations is 5 years.

**Leasing contracts****Right-of-use assets**

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 disclosed separately in the notes.

**Leasing debt**

On the lease commencement date, 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 noncancellable 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 depend on an index or interest rate, such as a reference rate, and amounts expected to be paid according to 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 cannot be readily determined, 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.

**Application of practical exceptions**

The Group applies the practical solution that excludes short-term leases from recognition as lease assets and lease liabilities. In the Group, short-term leases consist of co-working spaces and similar services. Lease payments for short-term leases 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 in one entity and a financial liability or equity instrument in another entity. The valuation of the financial instruments depends on how they have been classified.

Financial assets consist mainly of cash and cash equivalents, accounts receivable, unbilled receivables and non-current receivables. All financial assets are measured at amortized cost. This is because they are held in the context of 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 outstanding principal and are measured at amortized cost.

Financial liabilities consist mainly of accounts payable 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 to be a reasonable approximation of fair value, as these assets and liabilities have short maturities.

## Note 2 Accounting policies, cont.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on 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 stated at the lower of cost and net realizable value. The cost is calculated using the weighted average cost formula and includes all costs of purchasing the stocks, outsourced manufacturing, programming, and transportation of the stocks to their current location. Net realizable value is defined as the selling price less the cost of sale.

### 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 standalone financial information is available. The Group's business is operated as one segment and is evaluated on the basis of net sales and EBIT for the Group as a whole, consistent with how management and the Group CEO, the chief operating decision maker, monitor business performance and decide on resource allocation.

### Estimates and assessments

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

### Valuation of loss carryforwards

The Company has made an annual assessment of whether it is appropriate to capitalize deferred tax receivables relating to tax loss carryforwards for the year. Deferred tax assets are recognized only for loss carryforwards for which it is probable that they can be used against

future taxable profits and against taxable temporary differences. The Company has made an assumption that the loss carryforwards can likely be utilized in their entirety against future taxable profits and therefore recognizes a deferred tax asset linked to the losses.

### Accounting policies of the Parent Company

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities." The Parent Company applies the same accounting principles as the Group, with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the exceptions listed below. Unless otherwise stated, the accounting policies set out below for the Parent Company have been applied consistently to all periods presented in the Parent Company financial statements.

### Leasing contracts

The guidance on accounting for leases under IFRS 16 is not applied in the Parent Company. This means that lease payments are expensed on a straight-line basis over the lease term and that right-of-use assets and lease liabilities are not recognized in the Parent Company's balance sheet. However, the identification of a lease is made in accordance with IFRS 16, that is, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Capitalization of research and development

The Parent Company has chosen to apply the exemption in RFR 2 from capitalization of development costs that would otherwise be required under IAS 38. As a result, all expenditure on research and development projects is charged directly to the income statement.

### Financial instruments

The Parent Company applies the exemption not to apply IFRS 9 Financial Instruments in the legal entity. Instead, in accordance with the Annual Accounts Act, the Parent Company applies the cost method. Thus, in the Parent Company, noncurrent assets are valued at cost, and current financial assets are valued at the lower of cost or net realizable value. However, the Parent Company applies the expected credit loss (ECL) method in accordance with IFRS 9 for financial assets that are debt instruments.

## 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.

Net sales by geographic market	Group		Parent Company	
	2024	2023	2024	2023
Sweden	20.6	25.3	20.5	25.3
Rest of Europe, Middle East and Africa	569.7	443.0	521.2	297.8
Americas	1,577.0	1,201.6	485.2	497.2
Asia Pacific	158.9	157.3	156.5	155.6
	<b>2,326.2</b>	<b>1,827.3</b>	<b>1,183.4</b>	<b>976.0</b>

Net sales by country	Group		Parent Company	
	2024	2023	2024	2023
USA	1,403.6	1,123.5	485.1	497.1
Germany	187.5	189.5	141.1	46.4
Other	735.1	514.3	557.2	432.5
	<b>2,326.2</b>	<b>1,827.3</b>	<b>1,183.4</b>	<b>976.0</b>

The above information is based on the location of the customer headquarters.

Property, plant and equipment	Group		Parent Company	
	2024	2023	2024	2023
Sweden	57.3	24.2	25.6	24.2
USA	25.2	38.8	–	–
Other	0.0	0.0	–	–
	<b>82.5</b>	<b>63.1</b>	<b>25.6</b>	<b>24.2</b>

Net sales by business model	Group		Parent Company	
	2024	2023	2024	2023
Perpetual	2,064.3	1,589.0	1,179.6	972.6
Subscription	261.9	238.2	3.8	3.4
	<b>2,326.2</b>	<b>1,827.3</b>	<b>1,183.4</b>	<b>976.0</b>

**Note 3 Net sales, cont.**

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

**Information on large customers**

The Group has no customer that individually accounted for 10 percent or more of the Group's sales in either 2024 or 2023.

**Remaining performance obligations**

Remaining performance obligation over the remaining contract period	Group		Parent Company	
	2024	2023	2024	2023
1-2 years	269.5	186.6	1.6	3.6
2-3 years	195.3	115.9	1.0	1.0
3-5 years	153.8	42.6	0.2	0.5
<b>Total remaining performance obligation</b>	<b>618.6</b>	<b>345.1</b>	<b>2.8</b>	<b>5.1</b>

The remaining performance obligations relate to the Group's backlog of unfulfilled or partially fulfilled subscription contracts at the end of the period, which originally have a duration of more than 12 months. Subscription agreements usually run for three years and are recognized as revenue on a straight-line basis over this period. The weighted remaining contractual life of the order book is shown in the table above. Subscription contracts are usually invoiced annually in advance.

Contract liabilities	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Advance payments from customers	33.8	7.5	–	–
Deferred income	274.3	36.1	5.0	2.4
<b>Total</b>	<b>308.2</b>	<b>43.5</b>	<b>5.0</b>	<b>2.4</b>

Of the SEK 43.5 million recognized as a contract liability as of December 31, 2023, SEK 43.5 million has been recognized as revenue in 2024 (2023: 98.2).

Of the SEK 2.4 million recognized as a contract liability as of December 31, 2023, SEK 2.4 million has been recognized as revenue in 2024 (2023: 4.1) for the parent company.

Trade receivables are shown in note 14.

**Note 4 Other operating income and other operating expenses**

Other operating income	Group		Parent Company	
	2024	2023	2024	2023
Exchange rate gains	108.5	44.7	108.4	44.6
Other	2.0	3.0	0.1	1.7
	<b>110.5</b>	<b>47.8</b>	<b>108.5</b>	<b>46.3</b>

Other operating expenses	Group		Parent Company	
	2024	2023	2024	2023
Exchange rate losses	-104.8	-47.4	-103.2	-47.0
Other	-0.1	-0.3	-0.1	-0.4
	<b>-104.9</b>	<b>-47.8</b>	<b>-103.4</b>	<b>-47.4</b>

**Note 5 Operating expenses by type of cost**

	Group		Parent Company	
	2024	2023	2024	2023
Goods for resale	312.8	266.3	258.3	294.9
Other external costs	364.3	289.5	330.8	232.9
Employee benefit expenses	1,181.2	971.8	250.6	202.0
Depreciation of tangible and intangible assets	35.9	33.4	8.8	9.2
Transaction related expenses	–	87.2	–	63.7
	<b>1,894.3</b>	<b>1,648.2</b>	<b>848.6</b>	<b>802.7</b>

For further information on transaction-related costs, see note 24.

## Note 6 Employees, personnel costs and remuneration of senior executives

	Group		Parent Company	
	2024	2023	2024	2023
<b>Employee benefits expenses</b>				
<i>Salaries and remuneration</i>				
Board and executive management	31.4	37.9	15.2	10.9
Other employees	932.8	788.4	149.4	140.9
<b>Total salaries and remuneration</b>	<b>964.2</b>	<b>826.3</b>	<b>164.6</b>	<b>151.8</b>
Social security expenses	90.6	79.3	42.7	38.3
Pension expenses	34.8	31.6	15.4	14.2
<b>Total expenses</b>	<b>1,089.6</b>	<b>937.2</b>	<b>222.8</b>	<b>204.3</b>

Remuneration to the Board	2024			2023		
	Board fees	Committee fees	Total	Board fees	Committee fees	Total
Patrik Tigerschiöld, Chairman of the Board	0.7	0.1	0.8	0.3	–	0.3
Stina Ehrensverd	–	–	–	0.1	–	0.1
Gösta Johannesson	0.4	0.1	0.4	0.1	–	0.1
Paul Madera	0.4	0.0	0.4	0.1	–	0.1
Eola Änggård Runsten, Chairman of the Audit Committee	0.4	0.2	0.5	0.2	0.0	0.2
Ramanujam Shriram	0.4	–	0.4	0.1	–	0.1
Jaya Baloo	0.3	–	0.3	–	–	–
<b>Total remuneration to the Board</b>	<b>2.5</b>	<b>0.3</b>	<b>2.9</b>	<b>0.7</b>	<b>0.0</b>	<b>0.8</b>

Remuneration to executive management	2024				
	Base Salary	Variable pay	Pension expenses	Share-based remuneration	Total
Mattias Danielsson, CEO	5.1	1.2	0.5	–	6.9
Other executive management (5 persons)	15.8	6.5	1.3	0.0	23.5
<b>Total remuneration</b>	<b>20.9</b>	<b>7.7</b>	<b>1.8</b>	<b>0.0</b>	<b>30.4</b>

Remuneration to executive management	2023				
	Base Salary	Variable pay	Pension expenses	Share-based remuneration	Total
Mattias Danielsson, CEO	4.0	0.4	0.6	0.0	5.0
Other executive management (8 persons)	28.2	4.6	2.4	0.1	35.2
<b>Total remuneration</b>	<b>32.2</b>	<b>4.9</b>	<b>3.0</b>	<b>0.1</b>	<b>40.3</b>

Average number of employees	2024 of which women %		2023 of which women %	
<i>Parent Company</i>				
Sweden	136	32	118	31
<b>Total in Parent Company</b>	<b>136</b>	<b>32</b>	<b>118</b>	<b>31</b>
USA	287	30	263	30
United Kingdom	9	28	8	19
Germany	13	0	8	0
Canada	8	31	8	13
Australia	3	20	3	20
<b>Total in subsidiaries</b>	<b>320</b>	<b>29</b>	<b>290</b>	<b>28</b>
<b>Total in Group</b>	<b>456</b>	<b>30</b>	<b>408</b>	<b>28</b>

## Note 6 Employees, personnel costs and remuneration of senior executives, *cont.*

### Reporting on the gender balance of senior managers

	Group		Parent Company	
	of which women, %			
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Board of Directors	43	33	43	33
Other senior executives	32	31	42	34

### Share-based payments

#### Stock option program

Prior to the merger with ACQ Bure in September 2023, Yubico had an incentive program for U.S. employees that included employee stock options. The Company's employees in the United States 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 redemption was that the employee remained in employment at the time of exercise. The programs were earned over four years, of which a quarter could be redeemed after 12 months and then 1/48th after each month. The total duration of the program was 9 years. In connection with the merger, these stock options were exercised or lapsed.

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

	2024		2023	
	Number of options	Average exercise price	Number of options	Average exercise price
<b>Employee stock options</b>				
Outstanding at the beginning of the year	–	–	1,658,215	230.0
Paid out during the year	–	–	-1,235,050	202.6
Forfeited during the year	–	–	-423,165	317.9
<b>Outstanding at year-end</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

#### Performance stock units, (PSUs), 2023

The extraordinary general meeting on 19 September 2023 resolved to implement a long-term incentive program for 2023, based on performance stock units ("PSUs"). 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 maximum dilution of the remaining warrants is 0.6 percent of the current total number of outstanding shares. During 2023, 698,637 PSUs were awarded to 356 senior executives, key personnel and other employees of the Group based on this program.

#### Performance stock units, (PSUs), 2024

The general meeting on 14 May 2024 resolved to implement a long-term incentive program for 2024, based on performance stock units ("PSUs"). 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 maximum dilution of the remaining warrants is 0.2 percent of the current total number of outstanding shares. During 2024, 676,500 PSUs were awarded to 424 senior executives, key personnel and other employees of the Group based on this program. Information about the performance conditions can be found in the section "The Yubico share" on pages 34-35.

#### Change in number of Performance Stock Units, PSUs

Performance Stock Units, PSU	PSU 2024	PSU 2023
Outstanding at the beginning of the year	–	698,637
Awarded during the year	676,500	–
Vested during the year	–	-220,430
Forfeited during the year	-11,100	-47,000
<b>Outstanding at year-end</b>	<b>665,400</b>	<b>431,207</b>
<i>Performance Stock Units, PSU</i>		
Number	676,500	698,637
Expected dividend	No	No
Fair value on allotment day, SEK <sup>1</sup>	237.2	38.5
Payment method	Shares	Shares

<sup>1</sup>) Grant has taken place on three occasions during 2024. The above amount refers to the weighted average fair value of the granted performance stock units.

The share-based compensation expense is based on the grant-date fair value of the awards and recognized over the vesting period, in line with the graded vesting schedule. For 2024, the instruments have been measured based on the fair market value of the underlying ordinary shares at the date of grant. For 2023, the valuation has been based on the Monte Carlo valuation model.

Amounts recognized in the income statement and balance sheet	2024	2023
Reported cost for share-related compensation, incl. social security contributions	-59.3	-30.3
Liability for social security contributions related to share-based compensation	8.1	0.0

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

## Note 7 Auditors' fees and remuneration

	Group		Parent Company	
	2024	2023	2024	2023
<i>KPMG AB</i>				
Auditing assignments	–	0.2	–	0.2
<i>PwC</i>				
Auditing assignments	1.8	1.0	1.8	1.0
Tax consulting	2.5	0.6	2.5	0.6
Other assignments	0.5	0.8	0.5	0.8
<i>Other</i>				
Auditing assignments	0.1	0.3	0.1	0.3

## Note 8 Net financial income/expense

	Group		Parent Company	
	2024	2023	2024	2023
Interest income, Group companies	–	–	10.4	11.3
Interest income, other	22.6	12.4	22.5	12.4
Exchange rate gains	5.8	0.0	16.0	–
<b>Interest income</b>	<b>28.4</b>	<b>12.4</b>	<b>48.9</b>	<b>23.7</b>
Interest costs on financial liabilities valued at amortized cost	-2.0	-3.1	-2.0	-3.1
Interest costs on lease liabilities	-1.8	-2.1	–	–
Exchange rate losses	0.0	-6.2	–	-6.2
<b>Interest expenses</b>	<b>-3.8</b>	<b>-11.3</b>	<b>-2.0</b>	<b>-9.3</b>
<b>Financial net</b>	<b>24.6</b>	<b>1.1</b>	<b>46.9</b>	<b>14.4</b>

## Note 9 Tax

Reported in the income statement	Group		Parent Company	
	2024	2023	2024	2023
<i>Current tax</i>				
The year's expence	-114.9	-56.8	-83.1	-43.9
Tax attributable to previous years	5.9	–	5.9	–
	<b>-109.0</b>	<b>-56.8</b>	<b>-77.3</b>	<b>-43.9</b>
<i>Deferred tax</i>				
Deferred tax on temporary differences	18.6	7.3	2.9	–
	<b>18.6</b>	<b>7.3</b>	<b>2.9</b>	<b>–</b>
<b>Total reported tax</b>	<b>-90.4</b>	<b>-49.6</b>	<b>-74.4</b>	<b>-43.9</b>

Reconciliation of effective tax	Group		Parent Company	
	2024	2023	2024	2023
<i>Profit before tax</i>	462.1	180.2	386.8	186.6
Tax according to tax rate in the Parent Company 20.6% (20.6)	-95.2	-37.1	-79.7	-38.5
Effect of different tax rates in foreign subsidiaries	-10.4	-1.4	–	–
Non-taxable items	0.6	0.0	0.0	0.0
Non-deductible items	-0.8	-12.0	0.0	-5.4
Deductible expenses not booked in profit or loss	9.7	–	-0.7	–
Tax attributable to previous years	5.9	-0.1	5.9	–
Deferred tax in foreign subsidiaries	-0.3	1.0	–	–
<b>Reconciliation of effective tax</b>	<b>-90.4</b>	<b>-49.6</b>	<b>-74.4</b>	<b>-43.9</b>

Deferred tax assets/liabilities	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<i>Deferred tax asset</i>				
Loss carryforwards	47.6	47.6	47.6	47.6
Temporary differences	37.5	13.6	2.9	–
<b>Deferred tax asset</b>	<b>85.1</b>	<b>61.2</b>	<b>50.4</b>	<b>47.6</b>
<i>Deferred tax liability</i>				
Temporary differences fixed assets	3.0	2.6	–	–
Other temporary differences	3.6	–	–	–
<b>Deferred tax liability</b>	<b>6.6</b>	<b>2.6</b>	<b>–</b>	<b>–</b>

All changes in deferred tax liabilities and deferred tax assets have been recognized in the consolidated income statement.

## Note 10 Intangible assets

Group	Patent and trademarks		Business systems		Contract assets	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<i>Accumulated cost</i>						
Opening balance as of January 1	9.4	9.5	9.4	9.4	–	–
Investments during the year	0.3	0.2	–	–	12.0	–
Divestments and disposals	0.0	-0.3	–	–	–	–
<b>Closing accumulated cost as of 31 December</b>	<b>9.7</b>	<b>9.4</b>	<b>9.4</b>	<b>9.4</b>	<b>12.0</b>	<b>–</b>
<i>Accumulated depreciation</i>						
Opening balance as of January 1	-5.5	-4.5	-6.1	-4.2	–	–
Depreciations for the year	-1.0	-1.0	-1.5	-1.9	-2.1	–
<b>Closing accumulated amortization as of 31 December</b>	<b>-6.6</b>	<b>-5.5</b>	<b>-7.6</b>	<b>-6.1</b>	<b>-2.1</b>	<b>–</b>
<b>Net carrying amount at year-end</b>	<b>3.1</b>	<b>3.9</b>	<b>1.8</b>	<b>3.3</b>	<b>9.9</b>	<b>–</b>

Partent Company	Patent and trademarks		Business systems	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<i>Accumulated cost</i>				
Opening balance as of January 1	9.4	9.5	9.4	9.4
Investments during the year	0.3	0.2	–	–
Divestments and disposals	0.0	-0.3	–	–
<b>Closing accumulated cost as of 31 December</b>	<b>9.7</b>	<b>9.4</b>	<b>9.4</b>	<b>9.4</b>
<i>Accumulated depreciation</i>				
Opening balance as of January 1	-5.5	-4.5	-6.1	-4.2
Depreciations for the year	-1.0	-1.0	-1.5	-1.9
<b>Closing accumulated amortization as of 31 December</b>	<b>-6.6</b>	<b>-5.5</b>	<b>-7.6</b>	<b>-6.1</b>
<b>Net carrying amount at year-end</b>	<b>3.1</b>	<b>3.9</b>	<b>1.8</b>	<b>3.3</b>

Depreciation for the year is included in administrative expenses in the Income Statement in 2024 and 2023.

## Note 11 Property, plant and equipment (including right-of-use assets)

Group	Equipment, tools and installations		Right of use assets	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<i>Accumulated cost</i>				
Opening balance as of January 1	68.5	60.7	69.5	69.5
Investments during the year	14.4	13.3	33.2	2.0
Divestments and disposals	-2.3	-4.4	-13.5	-
Reclassifications	-0.2	-	-	-
Exchange rate differences for the year	2.9	-1.1	5.3	-2.0
<b>Closing accumulated cost as of 31 December</b>	<b>83.2</b>	<b>68.5</b>	<b>94.5</b>	<b>69.5</b>
<i>Accumulated depreciation</i>				
Opening balance as of January 1	-38.8	-28.4	-36.1	-18.6
Reversal of depreciation on divestments and disposals	2.2	0.5	13.5	-
Depreciations for the year	-12.5	-11.7	-18.8	-18.7
Exchange rate differences for the year	-2.1	0.8	-2.6	1.2
<b>Closing accumulated amortization as of 31 December</b>	<b>-51.2</b>	<b>-38.8</b>	<b>-44.0</b>	<b>-36.1</b>
<b>Net carrying amount at year-end</b>	<b>32.0</b>	<b>29.7</b>	<b>50.5</b>	<b>33.4</b>

Parent Company	Equipment, tools and installations	
	2024-12-31	2023-12-31
<i>Accumulated cost</i>		
Opening balance as of January 1	39.2	34.2
Investments during the year	12.3	5.6
Divestments and disposals	-2.3	-0.6
<b>Closing accumulated cost as of 31 December</b>	<b>49.2</b>	<b>39.2</b>
<i>Accumulated depreciation</i>		
Opening balance as of January 1	-19.5	-13.4
Reversal of depreciation on divestments and disposals	2.1	0.2
Depreciations for the year	-6.3	-6.3
<b>Closing accumulated amortization as of 31 December</b>	<b>-23.6</b>	<b>-19.5</b>
<b>Net carrying amount at year-end</b>	<b>25.6</b>	<b>19.7</b>

## 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 1-5 years.

	Group	
	2024-12-31	2023-12-31
<b>Lease assets</b>		
Right of use assets	50.5	33.4
<b>Total leasing assets</b>	<b>50.5</b>	<b>33.4</b>
<b>Lease liabilities</b>		
Current liabilities	15.8	16.3
Non-current liabilities	36.5	18.7
<b>Total leasing liabilities</b>	<b>52.2</b>	<b>35.0</b>

The total cash flow related to leases was SEK 20.5m (20.3).

Amounts reported in the income statement	Group	
	2024	2023
Depreciation on right of use assets	18.8	18.8
Interest expense on lease liabilities	1.8	2.1
Variable leasing fees that are not included in the valuation of the leasing liability	0.6	0.5
Costs for short-term leasing	1.3	1.2

The total cash flow related to leases was SEK 20.5m (20.3).

	Parent Company	
	2024	2023
Expensed lease charges for the year	7.6	6.9
of which, variable fees	0.9	0.5
<i>Future payments under lease contracts (nominal)</i>		
Within one year	7.0	6.3
Between one and five years	30.4	–
Later than five years	–	–
<b>Total</b>	<b>37.4</b>	<b>6.3</b>

## Note 13 Inventories

The composition of inventories is shown in the table below

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Raw materials and consumables	233.1	202.3	232.2	198.8
Work in progress	333.9	263.7	270.8	156.5
Finished goods and goods for resale	123.2	35.0	38.6	2.7
	<b>690.1</b>	<b>501.0</b>	<b>541.6</b>	<b>358.0</b>

## Note 14 Accounts receivable

Accounts receivables	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accounts receivables, gross	424.4	196.3	76.1	86.0
Provision for expected credit losses	-9.2	-4.4	–	–
<b>Accounts receivables, net after expected credit losses</b>	<b>415.1</b>	<b>191.9</b>	<b>76.1</b>	<b>86.0</b>

Provision for expected credit losses	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
<i>Provision for expected credit losses, opening balance</i>	-4.4	–	–	–
Provision for expected credit losses during the year	-4.8	-4.4	–	–
<b>Closing balance, carrying amount</b>	<b>-9.2</b>	<b>-4.4</b>	<b>–</b>	<b>–</b>

The provision for expected credit losses relates to receivables overdue by more than 90 days, amounting to SEK 8.4m (4.4), as well as expected future credit losses of SEK 0.9m (0.0).

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

## Note 15 Prepaid expenses and accrued income

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Prepaid rents	1.9	2.3	1.7	1.7
Prepaid production costs	7.2	15.8	7.2	15.8
Other prepaid items and accrued income	48.3	34.7	8.9	12.5
	<b>57.4</b>	<b>52.8</b>	<b>17.8</b>	<b>30.1</b>

## Note 16 Accrued expenses and deferred income

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accrued salaries	1.2	2.9	0.0	–
Accrued vacation pay	38.5	31.8	9.7	9.0
Social security contributions on vacation pay liability and salaries	8.6	5.5	4.7	4.1
Accrued commissions and bonuses	52.4	45.8	8.0	8.0
Accrued interest expenses	–	0.2	–	0.2
Other accrued expenses and deferred income	304.6	55.4	25.7	12.6
	<b>405.3</b>	<b>141.6</b>	<b>48.2</b>	<b>33.9</b>

## 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 consist mainly of currency risk. The 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 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 of Directors.

### Financial instruments / Valuation of financial instruments

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

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

The carrying amounts of trade and other receivables, cash and cash equivalents, trade 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 risks

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 are mainly in US dollars (USD), Swedish kronor (SEK) and euros (EUR), while its inflows are mainly in US dollars (USD) and euros (EUR). The Group is therefore affected by changes in these exchange rates. The Company's policy is to not hedge projected cash flows in the currency.

The table below shows the outstanding net balances in Swedish kronor that constitute transaction exposure. The exposure is recognized based on the consolidated outstanding net balances in the most significant currencies.

**Note 17 Financial risks, financial policy, and financial instruments, cont.**

Currency	2024-12-31	2023-12-31
US dollar	+ 321.9	+ 286.7
Euro	+ 100.4	+ 130.7

Earnings effects of, e.g., effects on operating profit amounts to SEKm 9.5 (-2,7).

**Translation exposure**

Translation exposure is the risk that the value of the Group's net investments and results in foreign currencies will be adversely affected by changes in exchange rates. The Group consolidates its net assets and profit in SEK at the balance sheet date. This risk is called translation exposure and is not hedged in accordance with the Group's financial policy.

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

Currency	2024-12-31	2023-12-31
US dollar	167.1	75.9
Euro	13.2	9.3
British pound	6.3	4.5
Canadian dollar	4.0	1.1
Australian dollar	1.3	1.0

The table below shows the translation exposure of the profit before tax of foreign operations. The amounts below are given in SEKm at the average rate.

Currency	2024	2023
US dollar	78.0	18.5
Euro	5.1	4.8
British pound	1.9	1.4
Canadian dollar	3.3	1.0
Australian dollar	0.5	0.3

The effects of exchange rate movements against the SEK for the most significant foreign currencies are presented below under Sensitivity analysis for currency risks.

**Sensitivity analysis for currency risks**

The sensitivity analysis for currency risk shows the Group's sensitivity to a 10 percent increase or decrease in the value of the SEK against the major currencies. For transaction exposure, the impact of exchange rate movements on the consolidated profit after tax is shown. This also includes outstanding monetary assets and liabilities denominated in foreign currencies at the balance sheet date, including intercompany loans where the currency effect affects 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 on consolidated equity is shown. For exchange rate fluctuations, the effect on the consolidated profit after tax is shown.

Sensitivity analysis of currency risk	2024	2024-12-31	2023	2023-12-31
	Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
<i>Transaction exposure</i>				
USD (+/- 10%)	32.2		28.7	
Euro (+/- 10%)	10.0		13.1	
<i>Translation exposure</i>				
US dollar (USD) (+/-10%)		16.7		7.6
Euro (EUR) (+/-10%)		1.3		0.9
British pound (GBP) (+/-10%)		0.6		0.5
Canadian dollar (CAD) (+/-10%)		0.4		0.1
Australian dollar (Aud) (+/-10%)		0.1		0.1

**Note 17 Financial risks, financial policy, and financial instruments, cont.****Liquidity and funding risk**

Liquidity risk refers to the risk that Yubico will not have sufficient funds to pay foreseen or unforeseen expenses. The risk is associated with the availability of cash and cash equivalents. To meet expected and unexpected expenses, Yubico should have at least the equivalent of SEK 200m at its disposal in the form of liquidity available at any given time, of which SEK 100m 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 consolidated liquidity should be reflected in the monthly report to the Board of Directors.

December 31, 2024	Group				
	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Lease liabilities	4.0	11.8	16.1	19.9	51.8
Accounts payable	44.9	0.3	–	–	45.2
Other liabilities	114.9	24.0	7.2	–	146.1
<b>Total</b>	<b>163.9</b>	<b>36.1</b>	<b>23.3</b>	<b>19.9</b>	<b>243.1</b>

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

December 31, 2024	Parent Company				
	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Accounts payable	39.2	–	–	–	39.2
Other liabilities	42.8	8.3	3.8	–	54.9
<b>Total</b>	<b>82.0</b>	<b>8.3</b>	<b>3.8</b>	<b>–</b>	<b>94.1</b>

December 31, 2023	Parent Company				
	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Liabilities to credit institutions	3.9	37.2	–	–	41.2
Accounts payable	61.7	–	–	–	61.7
Other liabilities	29.4	7.3	3.5	–	40.2
<b>Total</b>	<b>95.1</b>	<b>44.6</b>	<b>3.5</b>	<b>–</b>	<b>143.1</b>

**Interest rate risks**

Interest rate risk refers to the risk of fluctuation in variable interest rates associated with borrowings in the Group. The interest rate risk is assessed as non-existent, as the group had no external borrowing as of December 31, 2024.

**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 receivable, cash and cash equivalents, and deposits. In order 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 receivable.

	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accounts receivable	415.1	191.9	76.1	86.0
Other current receivables	22.1	49.2	14.0	40.6
Non-current receivables	7.1	6.1	4.8	4.0
Cash and bank	824.1	547.3	746.9	476.6
<b>Maximum credit risk exposure</b>	<b>1,268.5</b>	<b>794.5</b>	<b>841.8</b>	<b>607.2</b>

**Credit risk in accounts receivable**

For accounts receivable, expected credit losses are calculated based on the extent to which payments are overdue, supplemented by individual assessments. Impairment losses on accounts receivable 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.

Age distribution analysis for accounts receivable	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Not due	331.7	119.6	62.0	70.1
Overdue <30 days	41.5	46.2	12.1	14.2
Overdue 30-60 days	8.1	15.6	0.1	1.6
Overdue 60-90 days	11.8	1.0	–	0.2
overdue >90 days	22.0	9.5	1.9	-0.1
<b>Total</b>	<b>415.1</b>	<b>191.9</b>	<b>76.1</b>	<b>86.0</b>

The Company's assessment is that payment will be received for overdue accounts receivable, as the customers' payment history is good. The Group's allowance for credit losses in accounts receivable is disclosed in note 14 Accounts receivable.

**Note 17 Financial risks, financial policy, and financial instruments, cont.****Credit risk in cash and cash equivalents**

The Group has cash and cash equivalents of SEK 824.1m (547.3m) at December 31, 2024. For cash, banks are the counterparties. The banks with which Yubico establishes relations must have a minimum credit rating of A. The number of banking relationships should 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 assessed as immaterial and therefore not reported.

**Capital management**

The Group's capital management aims to ensure the Group's financial stability, manage financial risks, and safeguard the Group's short and long-term capital needs. Capital is defined in the Yubico Group as net cash, i.e., the amount of cash remaining if all liabilities are paid off. The net cash position as of December 31, 2024 is SEK 787.6m (473.3).

**Note 18 Collateral pledged**

Pledged assets and contingent liabilities	Group		Parent Company	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Other liabilities to credit institutions				
Business mortgages	–	30.0	–	30.0
Bank guarantee	2.7	2.7	2.7	2.7
	<b>2.7</b>	<b>32.7</b>	<b>2.7</b>	<b>32.7</b>

**Note 19 Supplementary cash flow information**

In preparing the cash flow statement, adjustments are made for non-cash items, which are summarized below.

	Group		Parent Company	
	2024	2023	2024	2023
Depreciation and amortization	35.9	33.3	8.8	9.2
Unrealized provisions	–	-4.7	–	17
Unrealized exchange rate differences	-11.6	–	-11.9	–
Share-based payment costs	51.2	30.3	–	–
Mergerloss	–	26.1	–	26.1
Other items not affecting cash flow	-8.8	9.7	–	0.4
	<b>66.8</b>	<b>94.7</b>	<b>-3.1</b>	<b>52.7</b>

Interest received and paid	Group		Parent Company	
	2024	2023	2024	2023
Interest received	22.6	12.4	22.5	12.4
Interest paid, including interest on lease liability	-4.0	-5.1	-2.3	-3.0

	Group		Parent Company	
	Lease liabilities	Liabilities to credit institutions	Lease liabilities	Liabilities to credit institutions
<b>2024-12-31</b>				
Opening balance carrying amount	35.0	39.0	–	39.0
Cash Flow	17.2	-39	–	-39
<b>Closing balance, carrying amount</b>	<b>52.2</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Group		Parent Company	
	Lease liabilities	Liabilities to credit institutions	Lease liabilities	Liabilities to credit institutions
<b>2023-12-31</b>				
Opening balance carrying amount	51.5	52.0	–	52.0
Cash Flow	-16.5	-13.0	–	-13.0
<b>Closing balance, carrying amount</b>	<b>35.0</b>	<b>39.0</b>	<b>–</b>	<b>39.0</b>

Cash and cash equivalents consist of bank balances.

## Note 20 Participation in Group companies

Accumulated cost	2024	2023
At the beginning of the year	0.3	0.3
Share based payments	37.3	–
<b>Net carrying amount at year-end</b>	<b>37.6</b>	<b>0.3</b>

Subsidiaries/Corporate identity number / Registrated office	Number of shares	Shares, %	Net carrying amount SEKk	
			2024-12-31	2023-12-31
Yubico Inc/ 333070-9324 / Delaware	10,003,000	100.0	35,218	69
Yubico Ltd / 7007100 / Surrey	1,000	100.0	532	12
Yubico GmbH / HRB 11426 / Laer	2,500	100.0	1,119	246
Yubico Canada Ltd / 1000178316 / Toronto	100	100.0	527	1
Yubico Pty Ltd / ACN623392576 / Melbourne	100	100.0	216	1
			<b>37,612</b>	<b>329</b>

## Note 21 Receivables from Group companies

Parent Company	2024-12-31	2023-12-31
At the beginning of the year	133.0	137.6
Repaid receivables	-143.9	–
Translation differences for the year	10.9	-4.7
<b>Net carrying amount at year-end</b>	<b>–</b>	<b>133.0</b>

## Note 22 Reconciliation of weighted average number of shares

	Number of shares	
	2024	2023
Weighted average number of shares when calculating earnings per share before dilution	86,128,938	59,698,135
<i>Adjustments for calculation of earnings per share after dilution:</i>		
Performance stock units, PSUs	650,452	–
Options	1,782,882	–
<b>Weighted average number of shares and potential shares used as denominator when calculating earnings per share after dilution</b>	<b>88,562,272</b>	<b>59,698,135</b>

As of 31 December 2024, there were none options and performance stock units that were out of the money (SEK 4.9 million).

There are 4.2 million 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. 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.

## Note 23 Related-parties

The following are defined as related parties: all companies within the Group, shareholders in Yubico AB who hold at least 20 percent of the votes, members of the Board of Directors, the CEO and senior executives and their close family members, as well as companies in which such board members and senior executives have a significant influence.

During the year, normal business transactions were carried out between the Group’s companies, and agreed remuneration was paid to the Chief Executive Officer, the Board of Directors and other senior executives (see note 6).

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

In 2024, Yubico donated 10,081 USD (11,400) to the organization Solvatten, where Yubico’s CEO, Mattias Danielsson, serves on the board. The purpose of the donation is to offset Yubico’s carbon emissions.

In 2024, Yubico has entered into a consulting agreement with Bild & Runsten AB, which is partly owned by a related party to Yubico’s board member Eola Änggård Runsten. Transactions resulting from the agreement amounted to SEK 290k during the year. Under the agreement, Bild & Runsten provides financial training in business accounting, financial analysis, and investment appraisal to senior executives of Yubico. The consultant is closely related to board member Eola Änggård Runsten.

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## Note 24 Merger between Yubico and ACQ Bure

On April 19, 2023, ACQ announced that ACQ and Yubico had entered into a merger agreement. The merger was completed on September 20, with ACQ as the surviving company but under the name of Yubico AB. The last day for trading of ACQ on Nasdaq Stockholm was September 19, and Yubico's first day of trading on Nasdaq First North Growth Market was September 20.

The merger between the companies was made with ACQ as the surviving company, with business registration number 559278-6668, but as a reverse merger from an accounting perspective. Thereby, ACQ is merged into Yubico's balances as of September 20 and a history reflected in the financial reporting is the consolidated financial statements of the old Yubico with business registration number 556720-8755.

### Transaction-related expenses

The Group has recognized SEK 87.2m in transaction-related costs related to the merger. The total cost of SEK 87.2m is divided between a merger loss of SEK 26.1m, personnel-related costs of SEK 29.3m, costs for discontinued incentive programs of SEK 14.1m, and fees to advisors of SEK 17.7m. Of the total costs, SEK 40.2m does not affect cash.

### Cash flow effects

The net effect on the cash flow from the merger was SEK 183.9m. This consists of SEK 3,423.5m from investing activities relating to the cash balance of ACQ Bure at the time of the merger and SEK -3,239.5m from financing activities relating to share issues of SEK 133.0m, subscription for Yubico shares of SEK 430.4m and cash consideration to Yubico shareholders of SEK -3,802.9m. Adjustment for noncash items in the Cash flow statement includes SEK 40.2m of transaction-related items, relating to the merger loss and cost of cancelled incentive programs.

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## Note 25 Events after the balance sheet date

No events have occurred after the balance sheet date that significantly affect the assessment of the financial information in this report.

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## Note 26 The Parent Company's transition to RFR 2 and a function-based income statement

The Parent Company previously applied the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3) when preparing financial statements. The Parent Company applies the same accounting policies as the Group, except for the areas described in note 2 "Parent Company accounting policies." The Parent Company applies the Swedish Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities. This annual report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. As a result of the Group's transition to IFRS Accounting Standards, the Parent Company will apply the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities as of this financial report.

The annual report for 2024 is the Parent Company's first financial report prepared in accordance with RFR 2 Accounting for legal entities. The accounting policies set out in note 2 have been applied in preparing the Company's financial statements as at December 31, 2024, and the comparative information for the fiscal year 2023. The transition to RFR 2 is accounted for in accordance with IFRS 1 First-time adoption of International Financial Reporting Standards. As a general rule, all applicable IFRS Accounting Standards in force and endorsed by the EU at the date of publication of these financial statements, with the exceptions described in RFR 2 Accounting for legal entities, shall apply retrospectively. However, IFRS 1 contains transitional provisions that give companies some options. The Company has chosen, in accordance with RFR 2, to apply exemptions related to IFRS 16, IAS 38, and IFRS 9 as described in note 2. Reconciliation between previously applied accounting principles (K3) and RFR 2. The transition from previously applied accounting principles to RFR 2 has not had any effect on the income statement, balance sheet, equity or cash flow. In light of this, no reconciliation between previously applied accounting principles and RFR 2 is needed. The reconciliation between the income statement by function and the income statement by type of cost for the Parent Company is shown in the Q1 quarterly report in 2024. This change only affects the gross margin, which includes indirect costs for Cost of sales.

# Signatures

## Statement of assurance

The Board of Directors and the CEO give their assurance that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in the Regulation (EC) No 1606/2002

of July 19, 2002, on the application of international accounting standards. The Annual Report and consolidated financial statements give a true and fair view of the financial position and performance of the Group and the Parent Company.

The Directors' Report for the Parent Company and the Group gives a true and fair view of the business activities, financial position and results of the Parent Company and the Group and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, April 10, 2025

**Patrik Tigerschiöld**  
*Chairman of the Board*

**Jaya Baloo**

**Stina Ehrensvärd**

**Gösta Johannesson**

**Paul Madera**

**Eola Änggård Runsten**

**Ramanujam Shriram**

**Mattias Danielsson**  
*President and CEO*

Our audit report was submitted on April 11, 2025.  
Öhrlings PricewaterhouseCoopers AB

**Magnus Svensson Henryson**  
*Authorized Public Accountant*  
*Auditor in charge*

**Reita Seseri**  
*Authorized Public Accountant*  
*Co-signing auditor*

# Auditor's report

To the general meeting of the shareholders of Yubico AB, corporate identity number 559278-6668

*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.*

## Report on the annual accounts and consolidated accounts

### Opinions

We have performed an audit of the annual accounts and consolidated accounts of Yubico AB for the year 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

### 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 parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Our audit approach

#### Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the board of directors and the managing director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

## Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Description of key audit matter

#### Revenue recognised in the appropriate period

Net sales amounts to SEK 2.326,2 million and is a significant line item of the income statement.

The group generates revenue through the sale of YubiKeys directly or as part of a security solution. Revenues are recognised when performance obligations in all material aspects have been fulfilled. In direct sales of YubiKeys, this occurs at delivery, while the performance obligations for a sale of a security solution are fulfilled during the contract period.

Considering the above, the recognition of revenue in the appropriate period has been identified as a key audit matter in the audit.

For more information and a description of this area, see note 3 and the section on accounting principles in note 1 in the annual report.

### How our audit addressed the key audit matter

The audit included, but was not limited to, the following audit procedures:

- Mapped the processes and IT-systems for revenue recognition and evaluated a sample of controls
- Conducted data analytics
- Tested individual transactions, on a sample basis, against documentation to verify if revenue is recognized in the appropriate period when the performance obligation has been fulfilled
- Tested a sample of transactions by comparing them to underlying contracts, invoices, and payments, as well as conducted accounts receivable confirmations
- Examined the company's valuation of accounts receivable as of the balance sheet date.
- Evaluated the information presented in the annual report to verify compliance with IFRS Accounting Standards.

### Description of key audit matter

#### Measurement of inventory

The inventory amounts to SEK 690,1 million and consists of raw materials and supplies, work-in-progress, and finished goods.

Establishing carrying amounts according to the principle of the lower of cost and market requires deciding on a number of accounting methods and assumptions with subjective aspects. The carrying amount of inventory is a significant line item on the balance sheet and the measurement is therefore a key audit matter in the audit.

For more information and description of this area, see note 13 and the accounting principles in note 1 in the annual report.

### How our audit addressed the key audit matter

The audit included, but was not limited to, the following audit procedures:

- Mapped the processes and IT-systems for inventory management and evaluated a sample of controls
- Participated in inventory counts
- Evaluated the method for measuring cost and tested a sample of purchase prices
- Assessed the reasonableness of the provision for obsolescence and tested the application of the principle of the lower of cost and market
- Evaluated the information presented in the annual report to verify compliance with IFRS Accounting Standards.

## Other information than the annual accounts

This document also contains information other than the annual accounts and consolidated accounts, which is found on pages 1-2, 5, 8-13, 25-30 and 70-75 ("Other information"). The Board of Directors and the Managing Director are responsible for Other information.

Our opinion on the annual accounts and consolidated accounts does not cover other information and we do not express any form of assurance conclusion regarding Other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the Other information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge obtained in the audit and assess whether Other information otherwise appears to be materially misstated.

If we, based on the work performed concerning Other information, conclude that the Other information contains a material misstatement, we are required to report this. We have nothing to report in this regard.

### Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. and, as regards the consolidated accounts, according to IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine it necessary to enable the preparation of annual accounts and consolidated accounts that are

free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and 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, cease operations or has no realistic alternative to doing any of this.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and 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 these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other requirements according to laws and other constitutions

*The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss*

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, We have also audited the administration of the Board of Directors and the Managing Director of Yubico AB for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent in relation of the parent company and group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my 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.

### Responsibility of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or

loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Auditor's Inspection's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## The auditor's examination of the Esef report

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Yubico AB (publ) for the year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Yubico AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding

compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

### Auditor's opinion regarding the corporate governance statement

The Board of Directors is responsible for ensuring that the corporate governance statement on pages 37–40 has been prepared in accordance with the Annual Accounts Act.

### Focus and scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The Auditor's Examination of the Corporate Governance Statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination has provided us with sufficient basis for our opinions.

### Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same law are consistent with the other parts of the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed as Yubico AB's auditor by the general meeting on 14 May 2024 and has been the company's auditor since 19 April 2023.

Stockholm April 10, 2025

Öhrlings PricewaterhouseCoopers AB

**Magnus Svensson Henryson**  
Authorized Public Accountant  
Auditor-in-charge

**Reita Seseri**  
Authorized Public Accountant

# Key figures

Key figure	Definition	Purpose
<b>Subscription sales</b>	Net sales related to subscription.	Understand the magnitude of subscription revenue.
<b>Subscription share of net sales</b>	Subscription sales in relation to net sales.	Measure to analyze the magnitude of the subscriptions in relation to net sales.
<b>Net sales growth</b>	Annual growth in net sales.	Used to measure the net sales growth in the company.
<b>Net sales growth</b> (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.
<b>Gross profit</b>	Net sales less cost of goods for resale.	Show the company's profitability from operations.
<b>Gross margin</b>	Gross profit as a percentage of net sales.	The measure is a complement to the gross profit, which only states the change in absolute figures (when different periods are compared). Gross margin is an indication of the Company's gross earnings capacity, over time.
<b>Adjusted EBITDA</b>	Operating profit/loss (EBIT) before depreciation, amortization, and impairments adjusted for items affecting comparability.	The measure is used since it shows the profitability before financial items, taxes, depreciation, amortization, and impairments and is used to analyze and the groups operating activities.
<b>EBITDA</b>	Operating profit/loss (EBIT) before depreciation, amortization, and impairments.	The measure is used since it shows the profitability before financial items, taxes, depreciation, amortization, and impairments and is used to analyze and the groups operating activities.
<b>Adjusted EBITDA margin</b>	Operating profit/loss (EBIT) before depreciation, amortization, and impairments in relation to net sales adjusted for items affecting comparability.	The measure is a complement to the EBITDA, which only states the change in absolute figures (when different periods are compared). EBITDA margin is an indication of the profitability of operations in relation to net sales, over time.
<b>EBITDA margin</b>	Operating profit/loss (EBIT) before depreciation, amortization, and impairments in relation to net sales.	The measure is a complement to the EBITDA, which only states the change in absolute figures (when different periods are compared). EBITDA margin is an indication of the profitability of operations in relation to net sales, over time.
<b>Adjusted EBIT margin</b>	Operating profit/loss (EBIT) in relation to net sales adjusted for items affecting comparability.	The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide understanding of the Group's financial performance both short and long term.
<b>EBIT margin</b>	Operating profit/loss (EBIT) in relation to net sales.	The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide understanding of the Group's financial performance both short and long term.
<b>Net cash</b>	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.
<b>Bookings</b>	Total value of bookings received during the period.	Measure used to analyze the magnitude of increase in bookings.
<b>Subscription bookings</b>	Total value of subscription bookings received during the period.	Measure used to analyze the expected volume of future revenue related to subscription.
<b>Subscription share of bookings</b>	Subscription bookings in relation to total bookings.	Measure to understand the relation of subscription bookings in relation to total bookings.
<b>Annual Recurring Revenue (ARR)</b>	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.

# Definitions and Glossary

## **B2C (Business to Customer)**

A transaction that takes place between a business and an individual as the end customer.

## **B2E (Business to Employee)**

Electronic commerce that uses an intra-business network which allows companies to provide products and/or services to their employees.

## **CSPN (Certification de Sécurité de Premier Niveau)**

A certification issued by the French National Agency for Information Systems Security, for information technology products.

## **FFIEC (Federal Financial Institutions Examination Council)**

A formal U.S. government interagency body composed of five banking regulators that is empowered to prescribe uniform principles, standards, and report forms to promote uniformity in the supervision of financial institutions.

## **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 European Union.

## **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.

## **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.

## **IT (Information Technology)**

The use of computers to create, process, store, retrieve and exchange data and information.

## **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.

## **MITM (Man-In-The-Middle)**

An attack where the attacker secretly relays and possibly alters the communications between two parties who believe that they are directly communicating with each other.

## **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.

## **PAM (Privileged Access Management)**

A submarket of IAM comprising identity technologies that track, monitor, and report what users with extended access rights.

## **PIN (Personal Identification Number)**

Personal identification number is an individualized code that provides a layer of security to the electronic authentication.

## **PIV (Personal Identity Verification)**

A personal identity verification credential is a U.S. Federal government-wide credential used to access Federally controlled facilities and information systems at the appropriate security level.

## **SDK (Software Development Kit)**

SDK brings together a group of tools that enable the programming of mobile applications.

## **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.

## **SSO (Single Sign-On)**

An authentication method that enables users to securely authenticate with multiple applications and websites by using just one set of credentials.

## **WebAuthn**

WebAuthn is a global standard for secure authentication on the Web supported by all leading browsers and platforms.

# yubico

Yubico

—

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