

A photograph of a man with dark curly hair and a beard, wearing a light green t-shirt, looking down at a small object held in his hands. An older man, wearing a green corduroy jacket over a light-colored shirt, is standing next to him, also looking at the object. The background is a blurred indoor setting with blue furniture.

yubico

Yubico

—

Quarterly Report
April-June
2025

Q2

Making the internet safer
for everyone

ARR growth in Q2 reflects increasing base for recurring revenue

The short-term earnings are not satisfactory, but sales momentum returned at the end of the quarter. Subscription sales grew by 32 percent and subscription bookings grew by 41 percent. The shift toward subscription contracts delays revenue recognition but strengthens the recurring revenue base

Second quarter

- Net sales decreased by -18.8 percent to SEK 499.1 (614.4) million, corresponding to a decrease of -11.4 percent in local currencies
- Subscription sales increased by 32.4 percent to SEK 79.2 (59.8) million, corresponding to 15.9 (9.7) percent of net sales
- EBIT amounted to SEK 21.2 (130.8) million, corresponding to an EBIT margin of 4.2 (21.3) percent
- Earnings per share after dilution amounted to SEK 0.10 (1.17)

January - June

- Net sales increased by 0.8 percent to SEK 1,122.1 (1,113.3) million, corresponding to an increase of 4.2 percent in local currencies
- Subscription sales increased by 36.4 percent to SEK 158.8 (116.4) million, corresponding to 14.2 (10.5) percent of net sales
- EBIT amounted to SEK 113.8 (215.8) million, corresponding to an EBIT margin of 10.1 (19.4) percent
- Earnings per share after dilution amounted to SEK 0.68 (2.01)

Significant events in the quarter

- No significant events in the quarter

| | Q2 | | | Jan-Jun | | | LTM | Full-year |
|-------------------------------------|-------|-------|-------|---------|---------|-------|---------|-----------|
| SEKm | 2025 | 2024 | Δ% | 2025 | 2024 | Δ% | 24/25 | 2024 |
| Net sales | 499.1 | 614.4 | -18.8 | 1,122.1 | 1,113.3 | 0.8 | 2,335.0 | 2,326.2 |
| whereof subscription sales, % | 15.9 | 9.7 | | 14.2 | 10.5 | | 13.0 | 11.3 |
| Gross profit | 394.5 | 493.4 | -20.0 | 883.2 | 895.8 | -1.4 | 1,885.0 | 1,897.5 |
| Gross margin, % | 79.1 | 80.3 | | 78.7 | 80.5 | | 80.7 | 81.6 |
| EBIT | 21.2 | 130.8 | -83.8 | 113.8 | 215.8 | -47.3 | 335.4 | 437.5 |
| EBIT margin, % | 4.2 | 21.3 | | 10.1 | 19.4 | | 14.4 | 18.8 |
| Net profit/loss | 8.9 | 103.6 | -91.4 | 60.2 | 177.4 | -66.1 | 254.5 | 371.7 |
| Earnings per share, before dilution | 0.10 | 1.20 | -91.4 | 0.70 | 2.06 | -66.2 | 2.95 | 4.32 |
| Earnings per share, after dilution | 0.10 | 1.17 | -91.4 | 0.68 | 2.01 | -66.3 | 2.86 | 4.20 |
| Net cash | 902.6 | 618.5 | 45.9 | 902.6 | 618.5 | 45.9 | | 771.9 |
| Bookings | 621.8 | 672.6 | -7.6 | 1,145.7 | 1,251.6 | -8.5 | 2,526.7 | 2,632.6 |
| whereof subscription bookings, % | 32.3 | 21.1 | | 22.6 | 19.7 | | 19.6 | 18.3 |
| ARR | 394.4 | 287.6 | 37.1 | 394.4 | 287.6 | 37.1 | | 324.1 |

-18.8%

Growth in net sales

37.1%

Growth in ARR

4.2%

EBIT margin

Q2 2025: Sales momentum returns but earnings underwhelm

Q2 2025 Financial performance

After several quarters of strong growth, Yubico saw a drop in net sales in Q2. This also had a negative impact on the quarter's profitability. The short-term earnings are not satisfactory, but we remain convinced that investing in research and development and expanding our market reach is the path forward, while being cost-conscious. We are pleased to report a significant recovery in Yubico's underlying sales momentum, combined with key strategic wins. This quarter, Yubico reported bookings of SEK 622 million, which was 8 percent lower compared to the same period last year, but reflects a 3 percent growth in local currencies. Net sales totaled SEK 499 million, a decline of 19 percent, representing a decline of 11 percent in local currencies. EBIT fell to SEK 21 million, corresponding to an EBIT margin of 4 percent.

Analyzing the performance in Q2

When commenting on Q1, I highlighted a slowdown in several customer dialogues, which carried into the first six weeks of Q2. Towards the end of Q2, we saw a significant increase in business, meaning we delivered growth in order bookings, measured in local currencies, for the quarter as a whole. While net sales declined by 19% and EBIT dropped significantly, it is important to view these results in context. There are three key factors to keep in mind that provide a clearer picture of where we are and where we are headed:

- **Currency impact:** The SEK strengthened by nearly 10 percent against the USD in Q2 2025 versus Q2 2024. This materially affects our results, as about 80 percent of Yubico's revenue is in USD and most of the rest in EUR, while roughly 25 percent of costs are in SEK.
- **Order book dynamics:** Lower order bookings than net sales in Q1 2025 meant we started Q2 with a smaller order book, which consequently reduced our volume for the quarter.
- **Success of subscription sales:** As noted further in the report, we saw a significant increase of subscription sales during Q2. While this is an encouraging development, the transformation from perpetual to subscription sales results in delayed net sales and reduced EBIT in the short term.

Our commitment to profitable growth and delivering strong free cash flow for shareholders remains steadfast. There will continue to be fluctuations on a quarterly and annual basis, but we maintain our long-term financial targets of attaining 25 percent yearly average revenue growth and 20 percent EBIT profitability.

Reasons for optimism: Strategic wins and subscription model shift
My optimism stems from two critical developments:

Resurgence in order growth and key segment wins

Yubico is back on a path of order growth, securing significant wins in crucial industry segments. We see increasing demand from some of the world's most successful and security-conscious organisations, including leading high-tech, AI, IT security, and financial services. In the AI sector, we're actively protecting the critical assets of many leading players, not only for internal access but also for safeguarding sensitive data and end-users. Cyber fraudsters are leveraging easily available AI tools to automate attacks and impersonate human faces, voices, and digital identities. Phone-based authentication, including SMS and push apps, has also been exposed by recent SIM card attacks, highlighting the weakness of microchips with large operating systems and attack surfaces that can be remotely breached. While other authentication technologies fall short, the YubiKey remains the strongest defender against increasingly advanced phishing and social engineering attacks.

Strategic shift to subscription sales

The second reason for my optimism is a significant breakthrough in subscription / YubiKey-as-a-Service sales, which represented over 30 percent of order bookings this quarter. More customers are recognizing the benefits of protecting users with YubiKeys on a subscription basis. This shift is highly valuable for building long-term customer relationships but has a short-term impact on net sales and profitability, as perpetual revenue is recognized upon delivery, while subscription revenue is typically spread over 12 quarters. A noteworthy milestone this quarter was a long-standing Yubico customer, one of

the world's top high-tech firms, expanding their partnership through a multi-year YubiKey-as-a-Service agreement. The deal includes converting their existing YubiKey fleet and scaling coverage company-wide to new users via subscription. We financed this rapid transition in Q2 while still delivering a profit. To support growth, we also expanded YubiEnterprise Delivery, more than doubling coverage to reach both office and remote users quickly and seamlessly.

Outlook for H2 2025

While the macroeconomic environment for H2 2025 remains uncertain due to ongoing fluctuating markets, the drop in orders experienced at the end of Q1 and into Q2 appears to have been a temporary setback. We are entering the second half of the year with renewed momentum, already visible growth in order bookings and a healthy, growing pipeline, all of which reflects the trust our customers place in us.

Investor Day

We look forward to welcoming investors and analysts to our Investor Day on November 19. The event will offer an in-depth look at our business model, key growth drivers, and strategic priorities, along with opportunities for Q&A with the management team.



Mattias Danielsson, CEO

Group development

Net sales

April-June

Net sales decreased by -18.8 percent to SEK 499.1 (614.4) million in the second quarter, corresponding to a decrease of -11.4 percent in local currencies. Subscription sales increased by 32.5 percent in the same period and amounted to SEK 79.2 (59.8) million representing 15.9 percent (9.7) of net sales. The overall net sales for the quarter were impacted by the growing share of subscription contracts which delays revenue recognition but strengthens the recurring revenue base for future periods.

Net sales continue to be dominated by the Americas, with 71.7 percent (65.7) of net sales originating in the region, where we see sustained demand from the high-tech and public sectors. EMEA accounted for 19.3 percent of net sales (27.7), reflecting the largest regional decline due to macroeconomic uncertainty, delayed customer decisions, and fewer large deals. While EMEA remains challenging, we see encouraging signs with more new customer wins and increased inbound leads, though deal sizes are smaller. APJ amounted to 8.9 percent (6.6) of net sales.

January-June

Net sales increased 0.8 percent to SEK 1,122.1 million (1,113.3), corresponding to an increase of 4.2 percent in local currencies and subscription sales represented 14.2 percent (10.5) of net sales.

Gross profit

April-June

Gross profit decreased by -20.0 percent to SEK 394.5 (493.4) million, corresponding to a gross margin of 79.1 percent (80.3). Lower net sales and currency exchange rate changes negatively affected the gross margin, leading to a decline.

January-June

Gross profit decreased by -1.4 percent to SEK 883.2 (895.8) million, corresponding to a gross margin of 78.7 percent (80.5).

EBIT

April-June

EBIT amounted to SEK 21.2 (130.8) million, corresponding to a 4.2 EBIT margin (21.3). The cost side is affected by the depreciation of the USD when compared with the second quarter last year. Total expenses for research and development amounted to 80.3 (82.7) million in the quarter. Selling and marketing expenses amounted to SEK 212.6 (195.7) million. Administrative expenses amounted to SEK 86.6 (76.0) million. Unrealized currency effects are affecting profit with the net amount SEK 8.3 (-7.2) million. These are reported as other income and expenses in the statement of profit or loss.

The main driver for the cost increase relates to the continued growth of the organization meeting delivery of the long-term growth target, with the number of employees reaching 528 (459) at the end of the second quarter, an increase of 15.0 percent compared to the previous year. Personnel expenses increased by 8.0 percent, in line with the increased headcount but partly mitigated by the depreciation of the USD. Total recognized expenses for the LTIP programs amounted to SEK 26.1 million (14.6) as part of employee costs.

January-June

EBIT amounted to SEK 113.8 (215.8) million, corresponding to an EBIT margin of 10.1 percent (19.4). The cost for the LTIP programs amounted to SEK 46.7 (18.3) million for the year.

Net profit/loss and earnings per share

April-June

The net profit amounted to SEK 8.9 (103.6) million. Net financial items of SEK -10.8 (-1.1) million was affected by unrealized currency effects of SEK -15.8 million related to USD cash balance in the parent company. The effective tax was 14.4 (20.1) percent, impacted by tax deductible expenses, not affecting profit and loss, related to paid out PSU-program in the US. Earnings per share after dilution amounted to SEK 0.10 (1.17).

January-June

The net profit/loss amounted to SEK 60.2 (177.4) million. Earnings per share after dilution amounted to SEK 0.68 (2.01).

Net sales, quarterly and 12-month rolling, SEKm



EBIT, quarterly and 12 months rolling, SEKm



Group development *cont.*

Bookings

April-June

Bookings decreased by -7.6 percent in the quarter, to SEK 621.8 (672.6) million, corresponding to an increase of 2.6 percent in local currencies. We saw a significant expansion in subscription-based contracts in the quarter. At the same time, the total number of perpetual license contracts increased, but the average deal size was smaller, leading to an overall year-over-year decline in order bookings from perpetual contracts. The decline in total bookings was most evident in EMEA, where uncertainty connected to macroeconomic factors continued to affect customer decision-making.

Subscription bookings amounted to SEK 200.8 (142.2) million, a growth of 41.2 percent, and corresponding to 32.3 percent (21.1) of bookings. The largest part being new customers and add-on contracts while SEK 43.2 million are contract renewals. This quarter's growth was driven by new customers and upselling activities, as well as a major multi-year agreement with a high-tech company converting from perpetual to subscription, signed in June. This is a significant and strategic win because it signals that even high-tech companies are recognizing the value of our subscription offering. We continue to see growth and strong interest from sectors such as the high-tech sector, the financial and the public sector. In particular, leading companies in the AI space, spanning both foundational model providers and hardware innovators, are actively deploying our solutions to protect sensitive data and access. In addition, we are seeing continued orders from the European defense industry.

January-June

Bookings decreased by -8.5 percent to SEK 1,145.7 (1,251.6) million, corresponding to a decrease of -3.7 percent in local currencies. Subscription bookings amounted to SEK 259.1 (246.3) million, corresponding to 22.6 percent (19.7) of bookings. SEK 52.1 million were contract renewals.

Annual recurring revenue, ARR

April-June

ARR increased by 37.1 percent compared to last year and amounted to SEK 394.4 (287.6) million at the end of the period. The SEK 48.8 million increase in the quarter was driven by several new deals, among them the major multi-year contract with a high-tech company.

Cash flow and financial position

April-June

Cash flow from operating activities during the quarter amounted to SEK 123.3 (118.8) million. Net change in working capital amounted to SEK 81.1 (-0.8) million mainly due to strong net sales in the first quarter and yearly subscription payments. Inventory decreased in absolute terms, with a positive net change of SEK 15.3 (-29.2) million. Inventory as a percentage of LTM sales increased slightly to 29.5 percent, compared to 29.0 percent in Q1, due to lower net sales in the quarter.

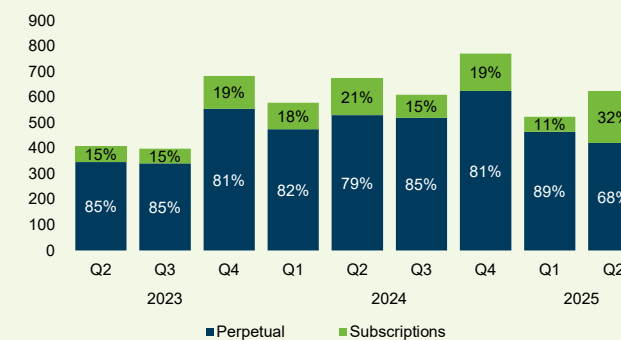
Cash flow from investing activities amounted to SEK -12.7 (-15.9) million, including investments in machinery and equipment of SEK -5.8 million and investments in contract assets of SEK -6.8 million.

Cash flow from financing activities amounted to SEK -4.1 (-6.5) million, whereof SEK -4.6 million is amortization of lease liabilities. Total interest-bearing liabilities at the end of the period amounting to SEK 42.9 (59.8) million, of which total lease liabilities amounted to SEK 42.9 (27.3) million.

January-June

Cash flow from operating activities during the period amounted to SEK 167.5 (148.2) million. Changes in working capital for the period amounted to SEK 79.9 (-33.0) million. Cash flow from investing activities amounted to SEK -16.6 (-20.6) million. Cash flow from financing activities amounted to net SEK -9.8 (-14.5) million. Cash and cash equivalents at the end of the period amounted to SEK 945.5 (678.2) million. Net cash at the end of the period amounted to SEK 902.6 (618.5) million.

Bookings by quarter, SEKm



ARR, SEKm



Other information

Significant events after the end of the quarter

No significant events after the end of the quarter

Sustainability

Yubico is committed to transparency and accountability in sustainability practices. The company's overall vision is to make secure login easy and available for everyone. From a societal perspective, IT security is essential to ensure safe communication and to protect customers, citizens and, by extension, democracies. We continue to monitor the regulatory environment, including the principles of the Corporate Sustainability Reporting Directive (CSRD), and are taking steps to align our reporting accordingly where relevant to us as a company. Yubico responds to the United Nations Sustainable Development Goals (SDG) no.9 by supporting a resilient infrastructure, and SDG no.16 by supporting effective, accountable, and transparent institutions and public access to information. For more detailed information relating to our sustainability work, see the Annual report for 2024.

Employees

The number of employees in the Yubico group at the end of the period was 528 (459).

Risk management

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

uncertainty factors for the group and the parent company, including business and financial risks, are described in the annual report for the financial year 2024. The recent increased geopolitical turbulence and uncertainties related to new tariffs have limited direct impact on the business as Yubico have local manufacturing in Sweden and the United States, and value creation largely occurs post-manufacturing through key programming.

Parent company

The Parent company's net sales for the April-June period amounted to SEK 194.7 (319.3) million. Profit/loss before tax was SEK -30.0 (113.8) million. Cash and cash equivalents at the end of the period amounted to SEK 874.6 (570.5) million. The number of employees in the Parent Company at the end of the quarter was 163 (134).

Ownership and shares

Yubico AB trades on Nasdaq Stockholm under the ticker YUBICO.

As of June 30, 2025, the number of issued shares were 87,291,882, whereof 86,426,882 were ordinary shares and 865,000 were C shares. The C shares were issued to secure delivery of shares to participants in the long-term incentive program for 2025 ("LTI 2025"). Such class C shares shall be redeemable and, upon a resolution by the board of directors, convertible into ordinary shares in Yubico.

Long-term incentive program

The AGM held on May 13, 2025, resolved to implement a long-term incentive program for 2025 ("LTIP 2025"). The program is based on performance stock units ("PSUs"). The maximum number of PSUs that

may be awarded is 780,000. Each vested PSU shall entitle the holder to receive one share in the company. PSUs are vested yearly during a three-year period. Vesting of PSUs is subject to two performance conditions as well as continued employment within the Group. The performance conditions include the company's revenue growth and EBIT margin during performance periods corresponding to each of the financial years 2025, 2026 and 2027.

In June 2025, 625,567 PSUs were awarded to 439 senior executives, key personnel and other employees of the Group based on this program.

Yubico has two additional 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. For more information on the PSU programs see the Annual Report 2024, section "The Yubico share and owners" and Note 6.

Investor Day

Yubico will hold an Investor Day on November 19, 2025, in Stockholm, with the possibility to participate in the event remotely. More information will be sent out closer in time to the event.

Other information *cont.*

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

Stockholm, August 14, 2025

Patrik Tigerschiöld
Chairman

Ramanujam Shriram

Stina Ehrensvärd

Paul Madera

Jaya Baloo

Eola Änggård Runsten

Gösta Johannesson

Mattias Danielsson
CEO

Webcast/teleconference

Yubico will hold a webcast/conference call today, August 14, 2025, at 09:00 CEST. Mattias Danielsson, CEO of Yubico and Camilla Öberg, CFO of Yubico will present and answer questions.

To participate in the conference, click on the following link:
<https://yubico.events.inderes.com/q2-report-2025>

Via the webcast, you can ask written questions. If you wish to ask questions verbally, please register on the following link:
<https://events.inderes.com/yubico/q2-report-2025/dial-in>

Financial calendar

Interim report January – September: November 12, 2025

Investor Day: November 19, 2025

Year-end report January – December: February 12, 2026

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

The interim report includes such information that Yubico is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication on August 14, 2025, at 7.00 am CEST.

Financial statements

Condensed consolidated statement of profit or loss

| SEKm | Note | Q2 | | Jan-Jun | | LTM | Full-year |
|---|------|--------------|--------------|--------------|--------------|----------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Net sales | 2 | 499.1 | 614.4 | 1,122.1 | 1,113.3 | 2,335.0 | 2,326.2 |
| Cost of sales | 3 | -104.5 | -121.0 | -238.9 | -217.5 | -450.1 | -428.7 |
| Gross profit | | 394.5 | 493.4 | 883.2 | 895.8 | 1,885.0 | 1,897.5 |
| Research and development | 3 | -80.3 | -82.7 | -173.5 | -157.0 | -352.6 | -336.1 |
| Selling expenses | 3 | -212.6 | -195.7 | -410.4 | -382.8 | -863.6 | -836.0 |
| Administrative expenses | 3 | -86.6 | -76.0 | -199.7 | -145.2 | -348.1 | -293.5 |
| Other income and expenses | | 6.2 | -8.3 | 14.1 | 5.1 | 14.7 | 5.6 |
| EBIT | | 21.2 | 130.8 | 113.8 | 215.8 | 335.4 | 437.5 |
| Net financial items | | -10.8 | -1.1 | -34.8 | 7.9 | -18.2 | 24.6 |
| Profit/loss before tax | | 10.4 | 129.7 | 78.9 | 223.8 | 317.2 | 462.1 |
| Tax | | -1.5 | -26.1 | -18.7 | -46.4 | -62.7 | -90.4 |
| Net Profit/loss | | 8.9 | 103.6 | 60.2 | 177.4 | 254.5 | 371.7 |
| Earnings per share before dilution, SEK | | 0.10 | 1.20 | 0.70 | 2.06 | 2.95 | 4.32 |
| Earnings per share after dilution, SEK | | 0.10 | 1.17 | 0.68 | 2.01 | 2.86 | 4.20 |
| Average number of shares before dilution (mill) | | 86.3 | 86.1 | 86.3 | 86.1 | 86.2 | 86.1 |
| Average number of shares after dilution (mill) | | 87.8 | 88.4 | 88.4 | 88.1 | 88.8 | 88.6 |

Condensed consolidated statement of comprehensive income

| SEKm | Note | Q2 | | Jan-Jun | | LTM | Full-year |
|---|------|------------|--------------|-------------|--------------|--------------|--------------|
| | | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Net Profit/loss | | 8.9 | 103.6 | 60.2 | 177.4 | 254.5 | 371.7 |
| Other comprehensive income | | | | | | | |
| Items to be reclassified to profit/loss, after tax | | | | | | | |
| Translation differences at translating foreign entities | | -8.4 | 1.6 | -28.3 | 14.9 | -25.1 | 18.2 |
| Tax relating to translation differences | | - | 1.4 | - | 1.4 | 0.9 | 2.3 |
| Total comprehensive income | | 0.5 | 106.6 | 31.9 | 193.8 | 230.3 | 392.2 |

All equity and total comprehensive income are attributable to owners of the Parent company, and there are no non-controlling interests.

Financial statements *cont.*

Condensed consolidated statement of financial position

| SEKm | 30 Jun | | 31 Dec |
|--|----------------|----------------|----------------|
| | 2025 | 2024 | 2024 |
| ASSETS | | | |
| Intangible assets | 18.7 | 17.3 | 14.7 |
| Property, plant and equipment | 73.5 | 56.5 | 82.5 |
| Financial assets | 8.1 | 6.7 | 7.1 |
| Deferred tax assets | 93.3 | 69.0 | 85.1 |
| Total non-current assets | 193.5 | 149.5 | 189.4 |
| Inventories | 690.0 | 605.3 | 690.1 |
| Accounts receivable | 327.1 | 410.5 | 415.1 |
| Other current assets | 77.2 | 88.4 | 90.2 |
| Cash and cash equivalents | 945.5 | 678.2 | 824.1 |
| Total current assets | 2,039.8 | 1,782.4 | 2,019.6 |
| TOTAL ASSETS | 2,233.3 | 1,931.9 | 2,209.0 |
| EQUITY AND LIABILITIES | | | |
| Equity | 1,643.6 | 1,328.4 | 1,566.2 |
| NON-CURRENT LIABILITIES | | | |
| Non-current interest-bearing liabilities | 27.7 | 34.1 | 36.5 |
| Other non-current liabilities | 7.6 | - | 6.9 |
| Deferred tax liabilities | 7.6 | 2.7 | 6.6 |
| Total non-current liabilities | 43.0 | 36.9 | 50.0 |
| CURRENT LIABILITIES | | | |
| Current interest-bearing liabilities | 15.2 | 25.6 | 15.8 |
| Accounts payable | 26.2 | 53.3 | 45.2 |
| Other current liabilities | 505.3 | 487.8 | 531.8 |
| Total current liabilities | 546.7 | 566.7 | 592.7 |
| TOTAL LIABILITIES | 589.7 | 603.5 | 642.7 |
| TOTAL EQUITY AND LIABILITIES | 2,233.3 | 1,931.9 | 2,209.0 |

Financial statements *cont.*

Condensed consolidated statement of changes in equity

| SEKm | 30 Jun | | 31 Dec |
|-----------------------------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2024 |
| Opening equity | 1,566.2 | 1,122.8 | 1,122.8 |
| Net Profit/loss | 60.2 | 177.4 | 371.7 |
| Translation differences | -28.3 | 16.4 | 20.5 |
| Total comprehensive income | 31.9 | 193.8 | 392.2 |
| New share issue | 2.2 | - | - |
| Repurchase of own shares | -2.2 | - | - |
| Transaction costs | -0.5 | - | - |
| Value of share based compensation | 46.0 | 11.9 | 51.2 |
| Closing equity | 1,643.6 | 1,328.4 | 1,566.2 |

Condensed consolidated statement of cash flows

| SEKm | Q2 | | Jan-Jun | | LTM | Full-year |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Operating activities | | | | | | |
| Profit/loss before tax | 10.4 | 129.7 | 78.9 | 223.8 | 317.2 | 462.1 |
| Adjustments for non-cash items, etc. | 44.0 | 12.4 | 75.4 | 14.2 | 128.0 | 66.8 |
| Income tax paid | -12.2 | -22.5 | -66.7 | -56.9 | -106.9 | -97.0 |
| Cash flow from operating activities before working capital changes | 42.3 | 119.6 | 87.6 | 181.2 | 338.4 | 431.8 |
| Change in inventory | 15.3 | -29.2 | -20.4 | -96.8 | -99.2 | -175.6 |
| Change in current receivables | 46.5 | -67.5 | 50.1 | -173.4 | 44.7 | -178.8 |
| Change in current liabilities | 19.3 | 95.9 | 50.1 | 237.2 | 79.3 | 266.4 |
| Cash flow from operating activities | 123.3 | 118.8 | 167.5 | 148.2 | 363.2 | 343.8 |
| Cash flow from investing activities | -12.7 | -15.9 | -16.6 | -20.6 | -55.9 | -60.0 |
| Cash flow from financing activities | -4.1 | -6.5 | -9.8 | -14.5 | -17.2 | -21.8 |
| Cash flow for the period | 106.5 | 96.4 | 141.1 | 113.0 | 290.1 | 262.0 |
| Cash and cash equivalents at the beginning of the period | 852.1 | 577.1 | 824.1 | 547.3 | 678.2 | 547.3 |
| Exchange rate differences in cash and cash equivalents | -13.1 | 3.6 | -19.6 | 17.9 | -22.8 | 14.7 |
| Cash and cash equivalents at the end of the period | 945.5 | 678.2 | 945.5 | 678.2 | 945.5 | 824.1 |

Financial statements *cont.*

Condensed Parent Company income statement

| | Q2 | | Jan-Jun | | LTM | Full-year |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| SEKm | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Net sales | 194.7 | 319.3 | 526.0 | 591.3 | 1,118.1 | 1,183.4 |
| Cost of sales | -65.5 | -69.5 | -194.7 | -158.1 | -329.3 | -292.7 |
| Gross profit | 129.2 | 249.7 | 331.3 | 433.2 | 788.9 | 890.8 |
| Research and development | -48.6 | -45.7 | -96.8 | -89.5 | -196.1 | -188.8 |
| Selling expenses | -51.1 | -51.0 | -90.0 | -90.2 | -204.4 | -204.7 |
| Administrative expenses | -55.6 | -39.6 | -103.6 | -77.1 | -188.8 | -162.3 |
| Other income and expenses | 6.2 | -9.2 | 15.8 | 3.8 | 17.1 | 5.1 |
| Operating profit/loss (EBIT) | -19.8 | 104.3 | 54.0 | 180.2 | 213.8 | 340.0 |
| Net financial items | -10.2 | 9.5 | -33.1 | 21.8 | -7.9 | 46.9 |
| Profit/loss before tax | -30.0 | 113.8 | 21.0 | 202.0 | 205.8 | 386.8 |
| Tax on profit for the period | 6.3 | -23.4 | -4.8 | -41.7 | -37.4 | -74.4 |
| Net profit/loss for the period | -23.8 | 90.4 | 16.2 | 160.2 | 168.3 | 312.4 |

Financial statements *cont.*

Condensed Parent Company balance sheet

| | 30 Jun | | 31 Dec |
|--|----------------|----------------|----------------|
| SEKm | 2025 | 2024 | 2024 |
| ASSETS | | | |
| Intangible assets | 3.8 | 5.8 | 4.9 |
| Property, plant and equipment | 28.4 | 19.3 | 25.6 |
| Participation in group companies | 71.8 | 0.3 | 37.6 |
| Receivables from group companies | - | 139.9 | - |
| Other Financial assets | 5.9 | 4.1 | 4.8 |
| Deferred tax asset | 53.0 | 48.3 | 50.4 |
| Total non-current assets | 162.7 | 217.8 | 123.3 |
| Inventories | 533.7 | 449.9 | 541.6 |
| Accounts receivable | 61.4 | 86.0 | 76.1 |
| Receivables from group companies | 92.0 | 221.7 | 32.0 |
| Other current assets | 28.5 | 10.2 | 31.8 |
| Cash and cash equivalents | 874.6 | 570.5 | 746.9 |
| Total current assets | 1,590.3 | 1,338.3 | 1,428.5 |
| TOTAL ASSETS | 1,753.0 | 1,556.1 | 1,551.7 |
| EQUITY AND LIABILITIES | | | |
| Restricted Equity | 218.2 | 215.3 | 215.7 |
| Non-restricted Equity | 1,239.7 | 989.4 | 1,180.5 |
| Total Equity | 1,457.9 | 1,204.7 | 1,396.2 |
| NON-CURRENT LIABILITIES | | | |
| Non-current liabilities to credit institutions | - | 19.5 | - |
| Other non-current liabilities | 6.5 | - | 5.8 |
| Total non-current liabilities | 6.5 | 19.5 | 5.8 |
| CURRENT LIABILITIES | | | |
| Current liabilities to credit institutions | - | 13.0 | - |
| Accounts payable | 22.3 | 47.6 | 35.4 |
| Liabilities to group companies | 218.2 | 159.6 | 3.9 |
| Other current liabilities | 48.2 | 111.7 | 110.5 |
| Total current assets | 288.7 | 331.9 | 149.8 |
| TOTAL LIABILITIES | 295.1 | 351.4 | 155.5 |
| TOTAL EQUITY AND LIABILITIES | 1,753.0 | 1,556.1 | 1,551.7 |

Condensed notes to the financial statements

Note 1. Accounting policies

This interim report comprise of the Swedish Parent Company Yubico AB ("Yubico"), with corporate registration number 559278-6668, and its subsidiaries. The Group is a global cybersecurity company whose mission is to make the internet safer for everyone. The operation is to conduct cyber security and to provide security products and services linked to authentication and other business activities associated therewith. The address of the head office is Gävlegatan 22, 113 30 Stockholm.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" with some additional disclosures as required by the Swedish Annual Accounts Act.

The Parent Company's interim financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) chapter 9 "Interim Report" and the standard RFR 2 "Accounting for legal entities". The Parent Company applies the same accounting policies as the Group with the exceptions specified in note 2 of Yubico's annual report 2024.

The preparation of financial statements requires management to make estimates for accounting purposes. These estimates and assumptions are based on historical experience and other factors that are considered to be reasonable under current circumstances. Actual outcome may differ from the estimates if the estimates or circumstances change.

All financial assets and liabilities are measured at amortized cost, which is considered to be a reasonable approximation of fair value due to short durations.

These condensed financial statements are presented in Swedish kronor (SEK) which is the Parent Company's functional currency. All amounts are presented in million Swedish kronor ("SEKm"), unless otherwise indicated. Rounding differences may occur. Disclosures in accordance with IAS 34.16A are provided in the financial statements, notes and other parts of the interim report.

Condensed notes to the financial statements *cont.*

Note 2. Net sales

| | Q2 | | Jan-Jun | | LTM | Full-year |
|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| SEKm | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Americas | 357.9 | 403.8 | 805.0 | 765.9 | 1,616.2 | 1,577.1 |
| EMEA | 96.6 | 170.3 | 239.0 | 271.5 | 557.8 | 590.3 |
| Asia Pacific | 44.6 | 40.3 | 78.1 | 75.9 | 161.1 | 158.9 |
| Total | 499.1 | 614.4 | 1,122.1 | 1,113.3 | 2,335.0 | 2,326.2 |

| | Q2 | | Jan-Jun | | LTM | Full-year |
|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| SEKm | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Perpetual | 419.8 | 554.6 | 963.3 | 996.9 | 2,030.7 | 2,064.3 |
| Subscription | 79.2 | 59.8 | 158.8 | 116.4 | 304.3 | 261.9 |
| Total | 499.1 | 614.4 | 1,122.1 | 1,113.3 | 2,335.0 | 2,326.2 |

For perpetual, the performance obligation is satisfied at the time of delivery and revenue is recognized at that point in time. For subscription, the security solution is consumed by the customer through continuous access to the security service including the access to Yubico's intellectual property through the license and use of the hardware key over the contract term period. Accordingly, revenue is recognized on a straight-line basis over the contract period.

Note 3. Personnel expenses for the group by function

| | Q2 | | Jan-Jun | | LTM | Full-year |
|--------------------------|--------------|--------------|--------------|--------------|----------------|----------------|
| SEKm | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Cost of sales | 26.9 | 22.5 | 57.7 | 47.5 | 112.0 | 101.7 |
| Research and development | 75.0 | 73.1 | 161.7 | 139.8 | 321.3 | 299.4 |
| Selling expenses | 152.5 | 144.4 | 308.0 | 280.3 | 629.3 | 601.5 |
| Administrative expenses | 52.3 | 44.0 | 135.0 | 85.7 | 228.4 | 179.0 |
| Total | 306.7 | 284.0 | 662.5 | 553.3 | 1,290.9 | 1,181.7 |

Quarterly figures

This section includes certain alternative performance measures (APM) which are not defined under IFRS. These are used by Yubico as Yubico believes that these APMs provide valuable information for investors and other stakeholders to evaluate the financial performance of Yubico. As not all companies calculate financial measures in the same way, they are not always comparable with similar measures used by other companies. These measures should therefore not be regarded as a substitute for measures defined under IFRS.

| SEKm | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 499.1 | 623.1 | 623.0 | 589.9 | 614.4 | 498.9 | 555.3 | 407.3 | 450.8 |
| Net sales growth (%) | -18.8 | 24.9 | 12.2 | 44.8 | 36.3 | 20.6 | 19.5 | 4.2 | 23.1 |
| Net sales growth (adjusted for change in foreign currency) (%) | -11.4 | 22.4 | 11.2 | 49.0 | 34.7 | 20.6 | 18.0 | 1.6 | 16.1 |
| Subscription sales | 79.2 | 79.6 | 74.3 | 71.2 | 59.8 | 56.5 | 73.9 | 58.5 | 58.5 |
| Subscription sales of net sales (%) | 15.9 | 12.8 | 11.9 | 12.1 | 9.7 | 11.3 | 13.3 | 14.4 | 13.0 |
| Gross profit | 394.5 | 488.7 | 524.3 | 478.0 | 493.4 | 402.4 | 432.1 | 333.2 | 363.0 |
| Adjusted operating profit (EBIT) | 21.2 | 92.6 | 110.9 | 110.7 | 130.8 | 85.1 | 84.2 | 16.1 | 97.3 |
| Operating profit (EBIT) | 21.2 | 92.6 | 110.9 | 110.7 | 130.8 | 85.1 | 90.9 | -77.7 | 97.3 |
| Net profit/loss for the period | 8.9 | 51.3 | 113.1 | 81.2 | 103.6 | 73.8 | 75.3 | -70.7 | 75.2 |
| Gross margin (%) | 79.1 | 78.4 | 84.1 | 81.0 | 80.3 | 80.7 | 77.8 | 81.8 | 80.5 |
| Adjusted EBIT margin (%) | 4.2 | 14.9 | 17.8 | 18.8 | 21.3 | 17.0 | 15.2 | 4.0 | 21.6 |
| EBIT margin (%) | 4.2 | 14.9 | 17.8 | 18.8 | 21.3 | 17.0 | 16.4 | -19.1 | 21.6 |
| Net cash | 902.6 | 805.5 | 771.9 | 676.1 | 618.5 | 510.8 | 473.3 | 496.9 | 323.9 |
| Bookings | 621.8 | 523.8 | 771.3 | 609.7 | 672.6 | 578.9 | 684.1 | 399.6 | 406.4 |
| Bookings growth (%) | -7.6 | -9.5 | 12.8 | 52.6 | 65.5 | 65.4 | 83.5 | 19.4 | -29.0 |
| Bookings growth (adjusted for change in foreign currency) (%) | 2.6 | -10.7 | 11.5 | 58.5 | 62.8 | 65.9 | 83.2 | 19.8 | -34.9 |
| Subscription bookings | 200.8 | 58.3 | 146.0 | 89.3 | 142.2 | 104.1 | 129.2 | 57.9 | 60.0 |
| Subscription share of bookings (%) | 32.3 | 11.1 | 18.9 | 14.6 | 21.1 | 18.0 | 18.9 | 14.5 | 14.8 |
| ARR | 394.4 | 345.7 | 324.1 | 292.7 | 287.6 | 277.1 | 286.5 | 255.3 | 242.8 |

Alternative performance measures

| Key figure | Definition | Purpose |
|--|--|---|
| Subscription sales | Net sales related to subscription. | Understand the magnitude of subscription revenue. |
| Subscription share of net sales | Subscription sales in relation to net sales. | Measure to analyze the magnitude of the subscriptions in relation to net sales |
| Net sales growth | Annual growth in net sales. | Used to measure the net sales growth in the company. |
| Net sales growth (adjusted for change in foreign currency) | Net sales growth adjusted for changes in foreign currency rates. | Used to measure comparable net sales growth excluding translation effects into foreign currency. |
| Gross margin | Gross profit as a percentage of net sales. | The measure is a complement to the gross profit, which only states the change in absolute figures (when different periods are compared). The gross margin is an indicator of the company's core profitability and helps assess the efficiency of the production and supply chain. |
| EBIT margin | Operating profit/loss (EBIT) in relation to net sales. | The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide an understanding of the group's overall profitability. |
| Net cash | Cash and cash equivalents less interest-bearing liabilities | Used to assess the company's ability to meet its financial obligations and level of debt. |
| Bookings | Total value of bookings received during the period. | Measure used to analyze the magnitude of increase in bookings. |
| Subscription bookings | Total value of subscription bookings received during the period. | Measure used to analyze the expected volume of future revenue related to subscription. |
| Subscription share of bookings | Subscription bookings in relation to total bookings. | Measure to understand the relation of subscription bookings in relation to total bookings. |
| Annual Recurring Revenue (ARR) | Total contract value related to subscription contracts as of the end of the reporting period, excluding one-time fees, divided by the term of the contract, translated based on the average foreign exchange rate on a rolling 12-month basis. | Management follows this measure as it is important to understand annualized revenue expected from subscribers. |

Reconciliation of alternative performance measures

| SEKm | Q2 | | Jan-Jun | | LTM | Full-year |
|---|--------------|--------------|--------------|--------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 24/25 | 2024 |
| Gross profit and gross margin | | | | | | |
| Net sales | 499.1 | 614.4 | 1,122.1 | 1,113.3 | 2,335.0 | 2,326.2 |
| Cost of sales | -104.5 | -121.0 | -238.9 | -217.5 | -450.1 | -428.7 |
| Gross profit | 394.5 | 493.4 | 883.2 | 895.8 | 1,885.0 | 1,897.5 |
| Divided by Net sales | 499.1 | 614.4 | 1,122.1 | 1,113.3 | 2,335.0 | 2,326.2 |
| Gross margin | 79.1% | 80.3% | 78.7% | 80.5% | 80.7% | 81.6% |
| EBIT margin | | | | | | |
| Operating profit (EBIT) | 21.2 | 130.8 | 113.8 | 215.8 | 335.4 | 437.5 |
| Divided by Net sales | 499.1 | 614.4 | 1,122.1 | 1,113.3 | 2,335.0 | 2,326.2 |
| EBIT margin | 4.2% | 21.3% | 10.1% | 19.4% | 14.4% | 18.8% |
| Net sales growth (adjusted for change in foreign currency) | | | | | | |
| Total Net sales growth | -115.3 | | 8.8 | | | |
| whereof change in foreign currency | -34.2 | | -28.5 | | | |
| whereof growth adjusted for change in foreign currency | -81.2 | | 37.3 | | | |
| Total Net sales growth | -18.8% | | 0.8% | | | |
| whereof change in foreign currency | -4.8% | | -2.6% | | | |
| whereof growth adjusted for change in foreign currency | -14.0% | | 3.4% | | | |

| SEKm | 30 Jun | | 31 Dec |
|--|--------------|--------------|--------------|
| | 2025 | 2024 | 2024 |
| Net cash | | | |
| Cash and bank | 945.5 | 678.2 | 824.1 |
| Non-current interest-bearing liabilities | -27.7 | -34.1 | -36.5 |
| Current interest-bearing liabilities | -15.2 | -25.6 | -15.8 |
| Net cash | 902.6 | 618.5 | 771.9 |

Yubico at a glance

Yubico is a global cybersecurity company that between 2020 and 2024 has grown net sales by a compounded annual growth rate (“CAGR”) of 40 percent. Through its core product and invention, the YubiKey, Yubico solves the number one cybersecurity issue – use of stolen credentials. These cause 8 out of 10 cybersecurity intrusions, often through so called phishing attacks.

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

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

the wider public sector, with customers such as Amazon, Google, Microsoft and the State of Washington using YubiKeys to protect staff, end users and sensitive information from cyberattacks.

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

Yubico is headquartered in Stockholm, Sweden and Santa Clara, California with manufacturing primarily located in Sweden with minor manufacturing in the US. The company is trading on Nasdaq Stockholm since December 5, 2024.

Three strategic focus areas to execute our vision



Expand

- New market coverage
- Deeper engagements in installed base
- Go-to-market Partnerships



Simplify

- Global Channel model
- Delivery from order to doorstep
- Optimize delivery processes & simplify deployment & adoption



Evolve

- Pursue business opportunities in adjacent areas to solve customers' digital life cycle
- B2B2C and B2G2C - Build scalable enterprise-to-enterprise sell-through solution

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 targets¹

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.

¹) Set in 2024 and apply for the next five years.



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