

yubico

Yubico
—
Annual Report
2025

25

Making the digital world
safer for everyone

Protect the digital you

Yubico builds trust in a digital world. By protecting the digital you, we empower people and organizations to stay secure online. Through innovation, open standards, and strong partnerships, we make phishing-resistant authentication accessible to all — creating a safer, more resilient digital society.

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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 2025 for the Parent Company and Group, which consists of the Directors' Report on pages 4–5, 7–9, 21–29, 49–54 and 57–62 and the financial statements and notes on pages 63–88.

■ Pages 30–47 in this report constitute Yubico's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act. This report relates to the financial year 2025.

Financial Calendar

Interim Report Q1, 2026	May 5, 2026
2026 Annual General Meeting	May 5, 2026
Interim Report Q2, 2026	August 6, 2026
Interim Report Q3, 2026	November 5, 2026
2026 Year-End Report	February 11, 2027

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The Swedish version of this Annual Report is the original and has been audited by Yubico's auditors. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

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 world-wide to protect against various types of cyberattacks such as phishing and account takeovers. *No YubiKey-protected account has ever been breached.*

Solution to the biggest cybersecurity problem

The YubiKey addresses the leading cause of cyberattacks — stolen credentials, responsible for 80 percent of breaches, often obtained via phishing. It provides a simple, physical solution for phishing-resistant multifactor authentication (MFA), trusted by millions world-wide including 19 of the top 20 US tech giants.

0

Known account takeovers

Developer of global IT security standard

Innovation drives Yubico. Our solutions define the leading standard in phishing-resistant Multi Factor Authentication (MFA), securing access across devices and services. As creator of open standards FIDO2, WebAuthn and U2F, YubiKey ensures broad compatibility and global trust.

~40_m

Number of YubiKeys sold worldwide

Key role in a fast-growing market

Rising number of cyberattacks, cloud adoption, and stricter regulations drive strong demand for YubiKeys. Since 2020, Yubico has achieved 30 percent annual growth of net sales, expanding globally and simplifying adoption through innovation. YubiKeys are offered via perpetual licenses or subscriptions.

+4.500

Business customers +millions of consumers

Stopping phishing attacks and account takeovers with strong, modern authentication

YubiKey is a physical security key for multifactor authentication that ensures only authorized users can access protected accounts and systems. Yubico’s main product portfolio spans the YubiKey 5 and 5 FIPS series, Security Key series, and YubiKey Bio for biometric authentication, along with YubiHSM — the world’s smallest hardware security module. [See the variations of the keys here](#) →

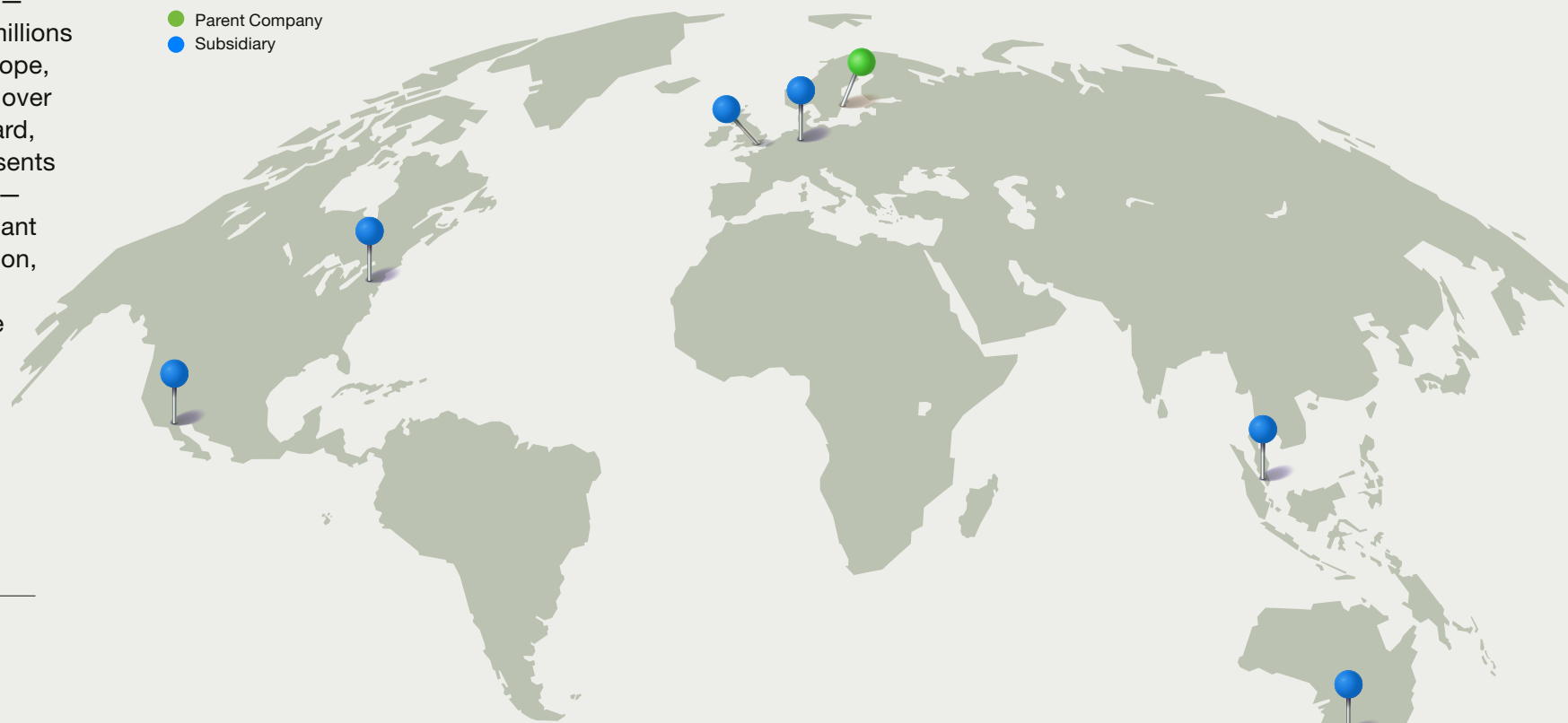


About Yubico

Global leader in identity security

Yubico is a global leader in identity security—trusted by governments, enterprises, and millions of users worldwide. With offices across Europe, North America, and Asia, and customers in over 175 countries, Yubico delivers open-standard, hardware-based authentication. This represents the highest level of security available today—phishing-resistant and fundamentally resistant to account takeover. By combining innovation, reliability, and simplicity, Yubico empowers organizations and individuals to stay secure in an increasingly complex digital world.

Subsidiaries worldwide

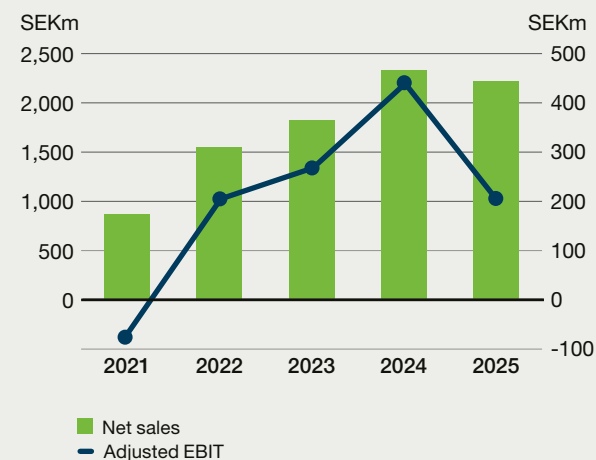


~30%
of G2000
are customers

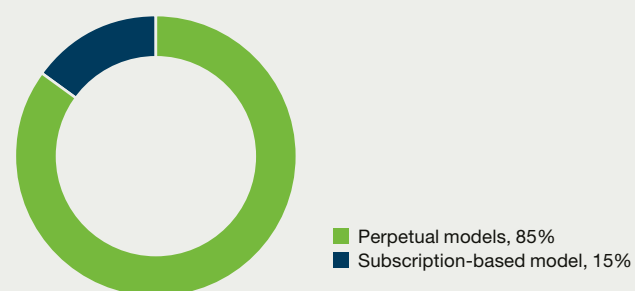
175
Countries

544
Employees
Dec. 31, 2025

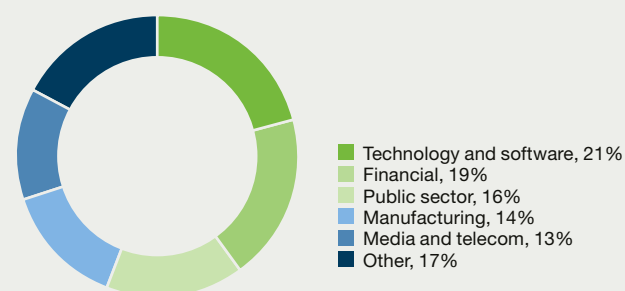
Net sales SEK 2,218m Adjusted EBIT SEK 199m



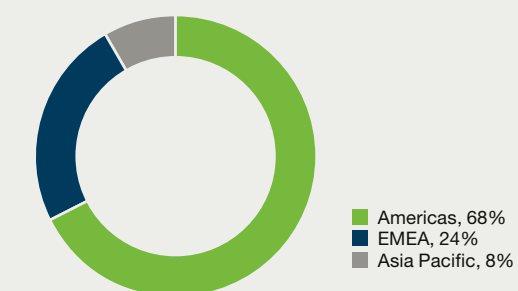
Net sales by business model



Bookings by segment



Net sales by region



2025 in brief

Strengthened position

Global enterprise reach expanded to 175 countries and 24 territories

In May 2025, Yubico expanded the availability of YubiKey as a Service to all EU countries, helping organizations accelerate adoption of hardware-backed authentication with greater flexibility. At the same time, YubiEnterprise Delivery expanded across 117 additional locations, bringing total coverage to 199 locations across 175 countries and 24 territories to support fast, scalable deployments to office and remote users.

YubiKeys launched in Best Buy stores



In October 2025, Yubico's YubiKeys became available on retail shelves in 350 Best Buy stores across the United States. The launch marked Yubico's first broad in-store retail presence and made strong authentication more accessible to consumers. The partnership also extended Yubico's Secure it Forward initiative through collaboration with the Best Buy Foundation and Best Buy Teen Tech Centers.

Early post-quantum signature prototype showcased at Authenticate

Yubico demonstrated an early prototype of post-quantum signatures running on a hardware security key at the security convention FIDO Authenticate. The on-stage demo made future cryptography tangible in a familiar user experience, while clearly positioning the work as prototype-level progress. It reinforced Yubico's focus on long-term security innovation alongside ongoing adoption of passkeys and hardware-backed authentication.

Stina Ehrensvärd named EY World Entrepreneur of the Year 2025

Yubico co-founder Stina Ehrensvärd was named EY World Entrepreneur of the Year 2025. The recognition highlighted Yubico's mission-driven leadership and the company's long-term impact on digital security and trust. Stina was selected from a global field of thousands of participants and became the first winner from a Scandinavian country in the award's history.



New leadership appointed during 2025

In December 2025, Yubico's Board appointed Jerrod Chong, the company's Chief Operating Officer, to serve as acting CEO. The leadership change ensured stability and focus as Yubico continued executing on its long-term strategy and growth ambitions. Earlier in 2025, Snejana Koleva was appointed as Chief Financial Officer, further strengthening the leadership team.



Gartner:
YubiKeys offers the highest level of security

First Investor Day held in Stockholm

In November 2025, Yubico hosted its first Investor Day in Stockholm, with in-person and online attendance via livestream. The program brought together executive management presentations, customer perspectives, and deeper discussion of business model and long-term strategic direction, followed by Q&A. The event supported ongoing transparency and engagement with investors, analysts, and media.

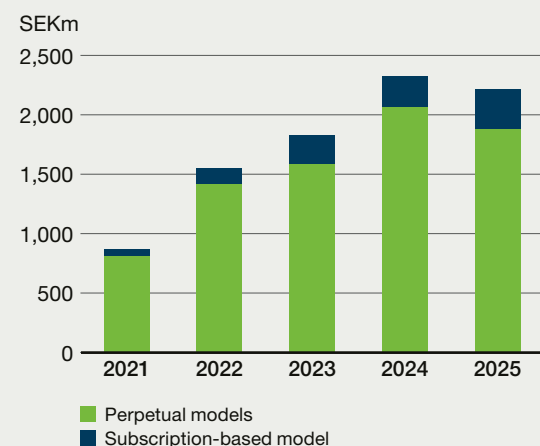


AI-driven identity fraud: identity verification partnerships to accelerate passkey onboarding

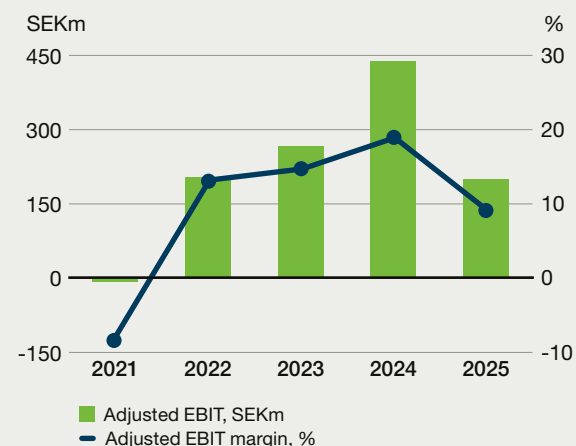
Yubico announced new collaborations with HYPR and Nametag to integrate identity verification (IDV) into YubiKey as a Service. The partnerships advance Yubico's Bring Your Own IDV strategy, helping organizations verify users before a YubiKey is issued or its PIN is activated. By anchoring phishing-resistant authentication to a verified identity, customers can reduce onboarding friction, strengthen recovery, and better defend against AI-driven impersonation and deepfake fraud.

Five-year overview

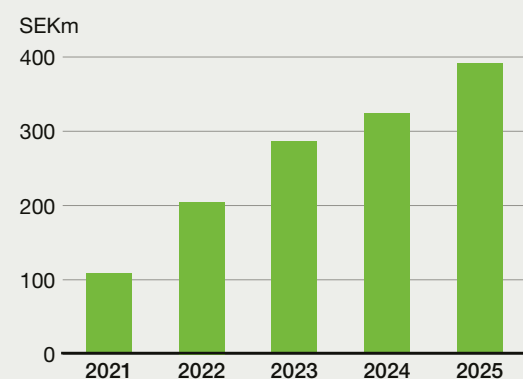
Net sales by business model



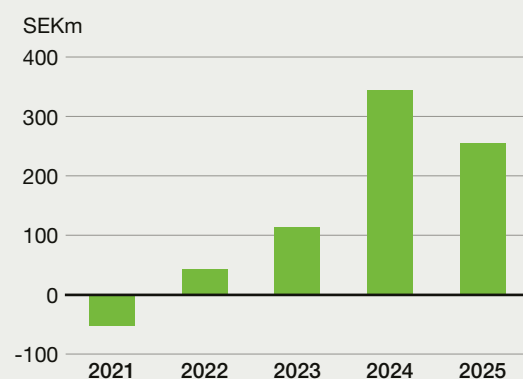
Adj. EBIT and adj. EBIT margin



Annual recurring revenue, ARR



Operating cashflow



Five-year overview

Group	2025	2024	2023	2022	2021
Net sales	2,218.0	2,326.2	1,827.3	1,551.2	867.2
Whereof subscription sales	339.6	261.9	238.2	131.3	58.0
Whereof subscription sales, %	15.3	11.3	12.9	8.5	6.7
Gross profit, 2022-2024	1,727.3	1,897.5	1,458.6	1,197.2	
Gross margin, 2022-2024, %	77.9	81.6	79.8	77.2	
Adjusted EBIT	199.9	437.5	266.2	203.4	-67.0
Adjusted EBIT margin, %	9.0	18.8	14.6	13.1	-7.7
EBIT	199.9	437.5	179.1	203.4	-67.0
EBIT margin, %	9.0	18.8	9.8	13.1	-7.7
Net profit/loss	128.1	371.7	130.6	244.5	-60.3
Earnings per share, before dilution, SEK	1.49	4.30	2.20	5.00	
Earnings per share, after dilution, SEK	1.46	4.20	2.20	4.80	
Operating cashflow	254.3	343.8	114.1	43.3	-53.3
Net cash	856.0	771.9	473.3	179.9	264.5
Total assets	2,214.4	2,209.0	1,480.7	1,163.3	735.9
Equity ratio	75.0	70.9	75.8	62.4	59.2
Order bookings	2,354.4	2,632.6	1,840.0	1,584.2	1,041.1
Whereof subscription bookings	544.3	481.6	274.1	241.7	176.3
Whereof subscription bookings, %	23.1	18.3	14.9	15.3	16.9
Annual recurring revenue (ARR)	391.0	324.1	286.5	204.7	109.0
Average number of employees	509	456	408	366	290

For 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 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 2021.

2.4 SEKbn

Order bookings

2.2 SEKbn

Net sales

78%

Gross margin

9%

EBIT margin

391 SEKm

ARR

CEO Statement

Anchoring trust in the age of AI

As we conclude a transformative 2025, I am deeply grateful for the responsibility entrusted upon me last December to serve as Acting CEO of Yubico. Having spent more than a decade within this organization, most recently as Chief Operating Officer, I have worked side-by-side with our customers, partners and colleagues through every major inflection point in our history. That perspective reinforces a core belief: our role extends far beyond delivering technology. We are entrusted with safeguarding the digital identities that underpin modern businesses, governments and everyday life.

2025 performance and operational resilience

The 2025 performance did not meet our expectations, and we are taking clear steps to improve. We faced several external headwinds such as currency fluctuations and uncertainty around tariffs early in the year, which impacted not only us but also our customers' decision-making processes. This macro-economic environment particularly impacted the prolonged purchasing cycles among large enterprises. In addition, the effects of government layoffs and shutdowns in the US were noticeable. During the year, we also saw the rapid development of AI increasing both the urgency and complexity of cybersecurity. While these factors affected our performance, we must adapt and deliver commercially competitive products that create customer value. My priority is to accelerate the speed

“We are entrusted with safeguarding the digital identities that underpin modern businesses, governments and everyday life.”

of the product delivery and expand our portfolio of products that will include evolving our offerings to protect AI agents identities. We are focused on disciplined execution, ensuring our operations are as strong as the products we deliver to maximize our conversion of bookings into revenue. Despite these challenges, we saw encouraging momentum in our core business. Subscription growth continued to accelerate, reflecting a clear market shift toward flexible, long-term security partnerships. Customer engagement remains strong across high-stakes sectors including technology, financial services, and defense. Our recurring revenue base continues to expand, underscoring durable demand for high-assurance, hardware-backed authentication and value-added services that accelerate adoption, evidenced by new capabilities such as self-service ordering and simplified enrollment in YubiKey as a Service (YaaS) for our enterprise customers.



Jerrod Chong, Acting CEO of Yubico

CEO comments

“Yubico is uniquely positioned to lead, with hardware-backed roots of trust, and expand our YubiKey as a Service platform and set a clear vision for the future of digital identity.”



Protecting identity in the era of AI

Looking ahead we are living in a new era shaped by the rapid proliferation of Artificial Intelligence. While AI is unlocking extraordinary innovation, it is also accelerating the speed, scale and sophistication of cyber threats. We are moving into a world where AI agents are becoming increasingly autonomous, accessing sensitive enterprise data and making real-time decisions that impact both privacy and security.

In this environment, identity is becoming exponentially more complex. The lines are blurred between human and AI agents. Trust can no longer be assumed; it must be anchored. As AI agents begin to act with

human-level permissions, organizations must ensure those actions are governed, auditable and privacy-preserving. At Yubico, we believe that a hardware-backed root of trust with “human-in-the-loop” is a critical control point. This ensures that even as systems automate, AI actions remain accountable to a verified human and aligns with the principles of digital privacy and integrity.

Our five strategic priorities for 2026

Our strategy is evolving from providing hardware security keys to a broader mission: protecting digital identities in an AI-driven world. Our five strategic priorities for the coming year are:

- 1. Advance the secure root of trust:** Strengthening Yubico’s position as the provider of the world’s most robust, cryptographically verifiable hardware-backed devices.
- 2. Enhance YubiKey as a Service:** Accelerating adoption through value-added services that ensure continuous security across all business scenarios.
- 3. Expand into digital identity platform and services:** Protecting both human and AI agent identities end-to-end and unlocking new use cases for trust and privacy.
- 4. Drive go-to-market expansion:** Deepening our footprint by activating everyday users globally through technical alliances and global partners.
- 5. Simplify customer experience:** Removing friction at every step—from how customers learn about our solutions to how they deploy them at scale.

Measurable impact: the 265 percent ROI

The economic argument for hardware-backed security is definitive. As the average cost of a corporate breach climbs toward USD 4.4 million, phishing remains the weapon of choice for attackers. However, a 2026 Forrester Total Economic Impact™ study found that replacing legacy MFA with YubiKeys achieved a 265 percent ROI. By effectively eliminating phishing and credential theft, organization can reduce their risk exposure to addressable attacks by 99.99 percent. Hardware-backed security isn’t just a defensive necessity; it is a profound driver of business value.

Expanding the promise: Identity Verification (IDV)

Yubico’s promise has always been “trust made tangible.” In 2026, we are extending this trust across the entire user lifecycle. Having Identity Verification (IDV) capabilities, will help organizations verify identities from the moment of account creation through to every recovery action performed. This is a critical defense against the rise of deepfakes and AI-driven deception. In a world where seeing is no longer believing, hard-

ware-backed passkeys and IDV provide a deterministic trust anchor. They ensure that authorization remains tied to a verified human, safeguarding enterprise data and protecting digital privacy for individuals.

The road ahead

Accelerating our mission requires relentless focus. We are prioritizing faster product innovation while maintaining the quality and trust our customers expect. Our focus for 2026 is centered on “Speed with Integrity”, ensuring we move fast enough to lead the market while remaining the stable partner our customers rely on.

The time to define trust and governance in the AI era is open now. Yubico is uniquely positioned to lead, with hardware-backed roots of trust, and expand our YubiKey as a Service platform and set a clear vision for the future of digital identity.

Thank you to our employees for their passion, our partners for their dedication and our customers for their continued trust. Together, we will continue to protect digital identities and shape a safer digital world for all.

Jerrod Chong, Acting CEO

Five reasons to invest

Positioned for continued growth

1

Expanding market opportunity drives long-term growth

Yubico operates in the fast-growing Advanced Authentication market, valued at USD 5.8 billion in 2025 and projected to expand by 14 percent annually through 2027.¹ Growth is driven by rising cyber threats, including AI driven attacks, regulatory pressure, and workforce digitalization. Adjacent areas such as Identity Verification, valued at approximately USD 45 billion and growing at around 18 percent annually, further expand the opportunity. With proven technology and global reach, Yubico is well positioned to capture this accelerating demand.

Advanced Authentication market annual growth expectancy 2021–2027

14%

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

2

Proven security at scale with zero known breaches

Yubico delivers industry-leading authentication with physical, phishing-resistant MFA proven at scale. YubiKeys have an unmatched record of zero known breaches. Built on a fully controlled, secure global supply chain, our high-quality hardware and firmware are complemented by support, customization options, and trusted deployment partners. Based on open standards and broad interoperability, Yubico offers a complete, scalable, and hard-to-replicate solution for today’s evolving security needs.

Number of known account takeovers with YubiKeys

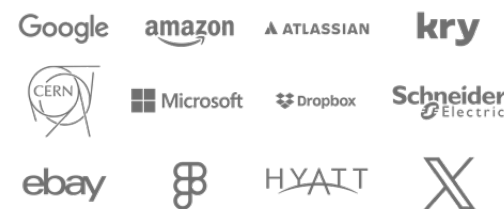
0

3

Trusted by global leaders and embedded in the ecosystem

Yubico serves leading global enterprises, with around 30 percent of G2000 companies among its customers. Its solutions are widely adopted by the world’s largest high-tech companies, as well as growing AI companies, and are trusted by organizations operating critical infrastructure, including government agencies, defense, financial services, and telcos. Through strategic partnerships and integrations, Yubico’s solutions have become a benchmark for high-assurance security. Yubico is a frequent participant in policy discussions in the US and EU, and helps shape the development of modern, phishing-resistant security worldwide.

Broad portfolio of customers



4

Profitable growth with increasing recurring revenue mix

Yubico has delivered strong, profitable growth, with net sales growing at a CAGR of around 30 percent between 2020 and 2025. At the same time, the company has maintained high gross margins of around 79 percent and positive EBIT. The business model is also shifting toward recurring revenue. YubiKey as a Service continues to grow as more enterprises adopt subscription-based solutions. As a result, the share of recurring revenue is increasing, strengthening revenue visibility and supporting more predictable and stable long-term growth.

Net sales CAGR 2020–2025

30%

5

Strategic priorities built for scalable, long-term growth

Yubico’s strategy builds on its position as a trusted provider of hardware-backed security, while expanding into broader digital identity solutions. The company is strengthening its secure root of trust, accelerating the adoption of YubiKey as a Service, and expanding into digital identity platforms and services to protect both human and AI-driven identities. At the same time, Yubico is scaling its go-to-market through partners and ecosystems, while simplifying the customer experience to enable faster and broader adoption. Together, these initiatives support increased recurring revenue, deeper customer relationships, and scalable, long-term growth.

Positioned for long term growth



Asia-Pacific, Japan — Technology
Case study Mitsubishi Electric

Mitsubishi Electric strengthens authentication in mobile-restricted sites with YubiKeys

Mitsubishi Electric is a global leader in electrical and electronic products and systems, serving critical infrastructure sectors such as energy, transportation, and information and communication systems. Operating in over 120 countries and supporting more than 150,000 employees across approximately 200 group locations, the company faces persistent cyber threats, including state-sponsored attacks targeting critical infrastructure.

Following past cybersecurity incidents caused by credential misuse, Mitsubishi Electric launched a security enhancement initiative to strengthen its authentication infrastructure. The company also faced practical challenges, including mobile-restricted environments in production facilities, where the use of smartphones or additional devices is limited or prohibited.

“The YubiKey has allowed us to continuously evolve our authentication strategy. Our vision is to realize passwordless authentication for all users in the future”

Mr. Daisuke Okamoto, IT Platform Division at Mitsubishi Electric Digital Innovation.

“Our first priority was to strengthen authentication,” says Mr. Daisuke Okamoto, IT Platform Division at Mitsubishi Electric Digital Innovation. *“We knew credential misuse was the root cause.”*

Mitsubishi Electric selected the YubiKey as a core component of its multi-factor authentication strategy.

The hardware-based YubiKey proved well suited for both IT and operational technology environments, requiring no batteries, network connections, or mobile devices. It enabled secure access across hundreds of applications, while supporting Mitsubishi Electric’s long-term goal of passwordless authentication.

Mitsubishi Electric has deployed several thousand YubiKeys to date, particularly for affiliates without company-owned devices. The YubiKey was also rated highly by Okamoto’s team, due to the ease of set up and use, making it especially good for users with low IT literacy.

“The YubiKey has allowed us to continuously evolve our authentication strategy,” says Okamoto. *“Our vision is to realize passwordless authentication for all users in the future.”*

Market & Business Model

Yubico operates in a rapidly evolving cybersecurity landscape driven by increasing digitalization and a growing need for secure identity. Building on a differentiated position in phishing-resistant authentication, the company combines a scalable business model with a broad product and services offering. Together, this supports long-term growth while enabling organizations to secure access across complex IT environments.



Yubico's market position

A unique competitive standing

Through its unique combination of hardware-rooted security, open standards leadership, and seamless interoperability, Yubico delivers phishing-resistant, high-assurance protection at global scale, within the Advanced Authentication market.

Building on years of innovation and close collaboration with leading technology partners, Yubico has established a strong position in phishing-resistant authentication, delivering high security, reliability and simplicity to enterprises and individuals across the globe. Its key strengths reflect a deep commitment to usability, openness and trust.

Yubico's unique key strengths

Pioneer in open standards

Yubico created and helped shape the FIDO and WebAuthn standards with partners like Microsoft and Google, ensuring seamless integration across major cloud services, platforms, and browsers.

Best-in-class security

YubiKeys provide phishing-resistant, hardware-based authentication with completely independently developed firmware, offering high-assurance security with strong usability.

Broad compatibility

Supporting multiple security protocols and over 1,000 applications, YubiKeys work across all major systems, including Windows, macOS, Linux, Google, Microsoft, AWS, and Okta.

Durable and reliable

Featuring a hermetically sealed monoblock design, YubiKeys are water- and crush-resistant. Proprietary molding and high-grade electrical contacts ensure exceptional longevity.

Secure manufacturing and full customer control

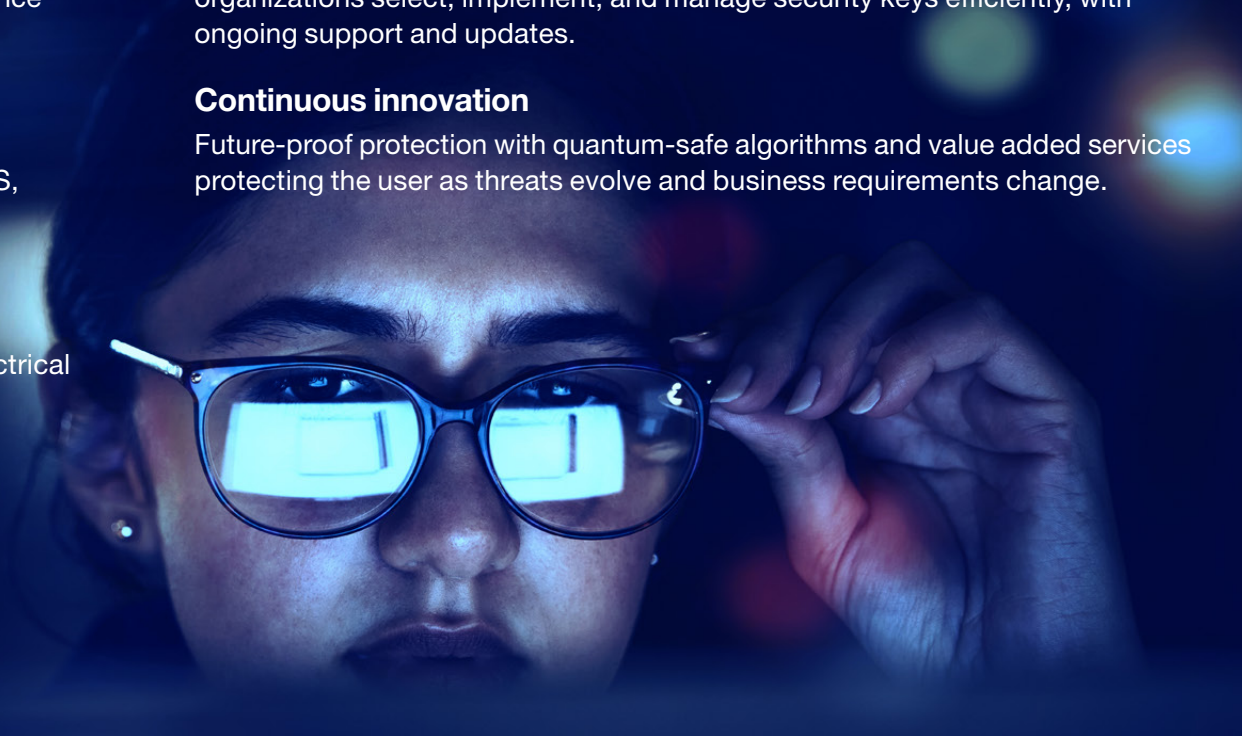
Manufactured in Sweden, with programming conducted in Sweden and the US under strict controls. No cryptographic secrets stored during manufacturing, giving customers full ownership of their security credentials.

Enterprise subscription model

Lifecycle and subscription services simplify large-scale deployment, helping organizations select, implement, and manage security keys efficiently, with ongoing support and updates.

Continuous innovation

Future-proof protection with quantum-safe algorithms and value added services protecting the user as threats evolve and business requirements change.



Yubico's market position

A unique competitive standing

Yubico's solutions are compatible with more than 1,000 applications and services globally, reflecting a strong position within the modern authentication ecosystem.

As a contributor to the development of open standards such as FIDO, Yubico has helped establish the foundation for scalable, phishing-resistant authentication across platforms and industries. This is complemented by a continued focus on interoperability, ensuring compatibility across both cloud-native architectures and complex legacy environments.

By aligning with widely adopted standards and protocols, Yubico enables organizations to integrate strong authentication into existing infrastructure with minimal friction. At the same time, the increasing adoption of FIDO-based authentication has led many platforms, applications, and service providers to build native support for YubiKeys, further strengthening the ecosystem over time.

As a result, Yubico is well positioned to support organizations in securing access across diverse and distributed IT environments, while delivering a consistent, high-assurance user experience at scale.

One YubiKey to unlock all services

Identity access management	Developer & encryption tools	Online services	Remote access & VPN
AuthLite, AuthStack, Duo, IDENTITY AUTOMATION, GreenRocket Security, privacyID3A, JumpCloud Directory-as-a-Service, ONE IDENTITY, MICRO FOCUS, onelogin	codeenigma, FORGEROCK, ezeelogin, WSO2, RCD EVS, RSA, scorpion software, SILVERFORT, idaptive, PORTALGUARD, Shibboleth	Dropbox Business, NANEX, Fastmail, NITRADO, spot, Microsoft, DSX, aws, finefriends, nulab, facebook, shopify, Miva	CITRIX, islonline, secureW2, rohos, CISCO, digicert, mobilityguard, LogonBox, Pulse Secure, Mideye, CURITY
aws, Authlogics, LinOTP, secmaker, isosec, mi.token, okta, Ping Identity, SAASPASS, Daon, digidentity, SECUREAUTH	Bitbucket, >_cmd, CentOS, Red Hat, EGOSECURE, debian, SENTRY, GitHub, GitLab, termius, GitLab, SilverStripe Open Source, XTM, kentik, fedora, status.io, Hardware Security SDK, STRONGKEY, ubuntu	BITFINEX, CYBAVO, salesforce, STEX, LOCZE, the xyz, BitMEX, onapp, Google, PushCoin, kraken, twitter	
Privileged access	Computer login	CMS	
thycotic, Centrify, BeyondTrust, Orion ID, ONELOCK, CYBERARK, COMPOSE	macOS, Windows, Linux	axiad, versasec, HID, intercede	

Market and market growth

Navigating threats and the new era of digital access

The demand for advanced Multi-Factor Authentication (MFA) is driven by a combination of evolving threats, regulatory pressure, and the need for operational efficiency.

These forces are not independent. The rapid evolution of AI-driven threats is exposing the limitations of legacy authentication, prompting regulatory intervention and accelerating enterprise adoption of phishing-resistant, hardware-backed authentication. At the same time, organizations are redesigning access models around Zero Trust and efficiency, reinforcing a structural shift toward modern identity security.

Evolution of the threat landscape

Cybersecurity is a business-critical area. Phishing attacks and social engineering are increasingly used to steal identities and bypass basic security measures. The proliferation of scalable, user-friendly phishing toolkits and emerging AI-driven capabilities such as real-time voice and face manipulation has fundamentally shifted the baseline for identity-based threats. Attackers can now execute highly sophisticated, scalable, and convincing attacks that bypass traditional security controls. Attackers are increasingly leveraging automation to exploit these weaknesses, rendering traditional authentication methods (passwords, SMS-based OTPs, and push applications) insufficient as a primary line of defense.

The global cost of cybercrime is growing fast, further accelerated by AI-driven cyber attacks, and is projected at over USD 10 trillion annually¹ with an average cost of a single breach of USD 4.44 million per incident². 93 percent of cybersecurity experts believe a major cyber event is likely within the next two years.

To mitigate these risks, enterprises are transitioning to robust Identity and Access Management (IAM) frameworks and systems that leverage phishing-resistant multifactor authentication (MFA), and adaptive access control.

This shift renders identity security a primary control layer, with authentication becoming central to preventing account takeover and lateral movement.

The following attack vectors represent the most critical risks to enterprise account integrity today.

- **Automated phishing at scale:** The use of advanced tools including generative AI has enabled attackers to eliminate traditional red flags like poor grammar or inconsistent branding, resulting in highly convincing, automated spear-phishing campaigns.
- **Deepfakes:** High-fidelity voice and video deepfakes have made traditional voice-based or simple video-selfie verification unreliable, requiring a move towards hardware-backed time of access enforcement.
- **Adversary-in-the-middle vulnerabilities:** Modern phishing toolkits can now phish users in real-time, at scale, bypassing standard push-based and code-based MFA. This has created a critical requirement for phishing-resistant protocols such as FIDO2/WebAuth.
- **SIM Swapping:** Ongoing vulnerabilities in telecommunications make SMS-based MFA a high-risk liability for high assurance needs.



“With nearly 80–90 percent of breaches leveraging compromised credentials, high-assurance, phishing-resistant authentication is the primary control for preventing account takeover and lateral movement.”

1) Global Cybercrime Report 2025, Proxyrack

2) 2025-2026 IBM Cost of a Data Breach Report

Market and market growth

Market development

A growing identity security market

The IAM market is growing steadily as organizations face increasing cybersecurity risks and accelerated digital transformation. Valued at approximately USD 26 billion in 2025, the market is expected to grow by around 17 percent annually through 2027, driven by the need to protect sensitive data, comply with regulation, and improve user experience. Within IAM, Advanced Authentication (AA) represents a critical control layer focused on verifying user identity at the point of access.

Yubico operates within Advanced Authentication, a subset of IAM. AA plays a central role in strengthening identity assurance by enabling phishing-resistant, hardware-anchored authentication. The global AA market was valued at approximately USD 6 billion in 2025 and is expected to grow at an annual rate of

around 14 percent through 2027. North America and Europe are currently leading regions, while APAC is experiencing rapid growth driven by digitalization and increased investment in cybersecurity.

Expanding into the broader digital identity ecosystem

While IAM defines Yubico's core market today, it represents only one layer of a broader and rapidly expanding Digital Identity ecosystem. The Digital Identity market, valued at approximately USD 50 billion and growing at around 18 percent, reflects a structural shift toward digital-first interactions where establishing and maintaining trust is fundamental. This ecosystem spans the full lifecycle of a digital identity: from onboarding, to authentication, to ongoing access management.

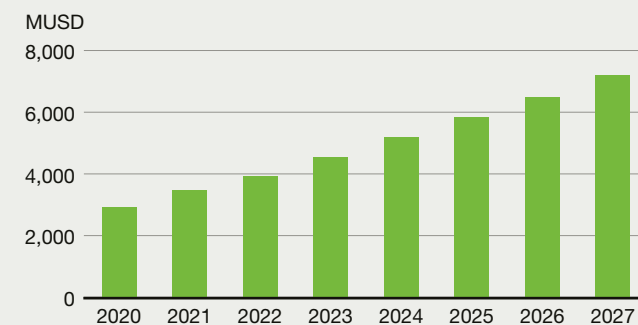
- **Identity Verification (IDV):** Establishes trust at onboarding by verifying that a user is who they claim to be
- **Identity & Access Management (IAM):** Manages authenticated users and controls access to systems and data
- **Advanced Authentication (AA):** Provides high-assurance verification within IAM, particularly for sensitive access and transactions

Historically, Yubico has focused on the authentication layer (AA) within IAM. As digital identity requirements evolve, the company is expanding its role toward adjacent areas, including Identity Verification (IDV), increasing its addressable market and strategic relevance.

Emerging models: Decentralized Digital Identity

A rapidly developing subset of the Digital Identity market is Decentralized Digital Identity (DID), which is accelerating overall market growth. Unlike traditional identity models where organizations store user data in centralized databases, DID enables individuals to hold verifiable credentials in digital wallets. This allows users to control their own identity data and selectively share information when needed. This shift toward user-controlled identity further reinforces the need for strong, hardware-backed authentication as a trust anchor across digital ecosystems.

Global AA market growing by ~14% on annual basis 2020-2027¹

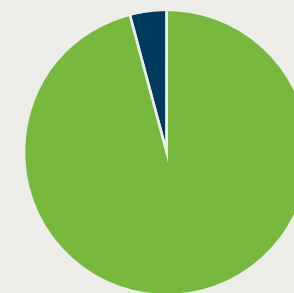


1) Fortune Business, Imarc Group, Grand view Research, 2025.

Expanding beyond authentication

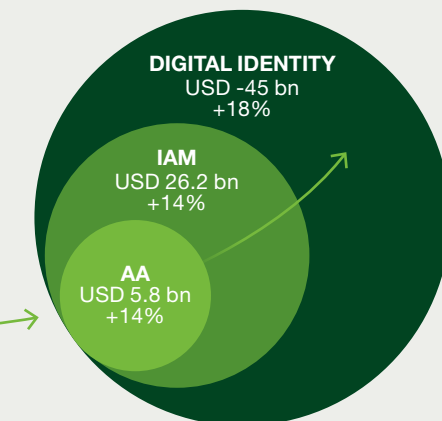
Historically, Yubico has focused on the advanced authentication layer (AA) within IAM. As digital identity requirements evolve, the company is expanding its role toward adjacent areas, including Identity Verification (IDV), increasing its addressable market and strategic relevance.

Current market share approx. 4% in Advanced Authentication (AA) market



■ AA Advanced Authentication, USD 5.8 bn – 96%
 ■ Yubico market share approx 4%

Expanding from Advanced Authentication into the broader Digital Identity market²



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

Market drivers

Forces transforming the identity security market

As cybersecurity threats have grown, authentication methods have evolved to provide stronger protection. What began with simple passwords and security questions has evolved to more sophisticated, phishing-resistant solutions. Today, organizations can tailor authentication approaches to their specific security needs and user environments.

Modern authentication approaches include:

- **Security keys (passkeys):** Physical FIDO2 security devices that enable passwordless, phishing-resistant login.
 - Purpose-built security devices providing with highest assurance
 - Secure and consistently usable across all platforms and devices
 - Credentials are bound to hardware, there are no shared secrets to steal and the protocol is phishing-resistant by design
- **Synced passkeys:** Cloud-based syncable passkeys.
 - Security depends on the resilience of the cloud infrastructure, recovery mechanisms, and secure storage availability

- Work well for lower assurance needs where users have dedicated devices
- Are convenient in a single ecosystem and when all devices are online
- Provide strong phishing resistance, but assurance level varies depending on ecosystem controls and account recovery protection

- **Smart cards:** Chip-based credentials for secure access.
 - High security but complex setup and ongoing management
 - Typically useful only inside unified enterprise environment
- **Other legacy MFA:** One-time passwords, SMS, push applications, etc

While legacy authentication methods remain vulnerable to scalable attacks, hardware-based MFA solutions, such as YubiKey, offer the highest level of security by combining a physical key with a single PIN or biometric input.

As higher-assurance and regulated needs grow and industries continue to differentiate risk thresholds across transaction types, YubiKeys provide the highest level of assurance while working conveniently across all major platforms.

Implication

Rising cyber threats are driving a shift from legacy MFA to hardware-bound, phishing-resistant security keys offering highest assurance.

Evolution of Advanced Authentication (AA) market



Only passwords

Security questions

Text/email

Phone app

Hardware key

Backup questions for user account, such as name of pet.

Verification code is sent via text message or email.

Authenticator on the smartphone to generate a onetime password.

Cryptographic data that never leaves the hardware key and which can be further protected with a PIN code or biometrics.

Market drivers

Enterprise transformation of access models

Organizations are not only responding to threats and regulation but are fundamentally redesigning how access is managed.

Modern authentication is increasingly driven by the need to reduce the Total Cost of Ownership (TCO) of identity infrastructure.

- **Elimination of help desk volume:** Password resets typically account for 20–50 percent of all IT help desk tickets. Transitioning to a passwordless architecture significantly reduces these recurring operational costs for both IT teams and the employees requesting help.
- **Improved user productivity:** Advanced authentication is measured to be up to 4x faster than traditional methods, reducing employee login-friction and increasing workflow efficiency.

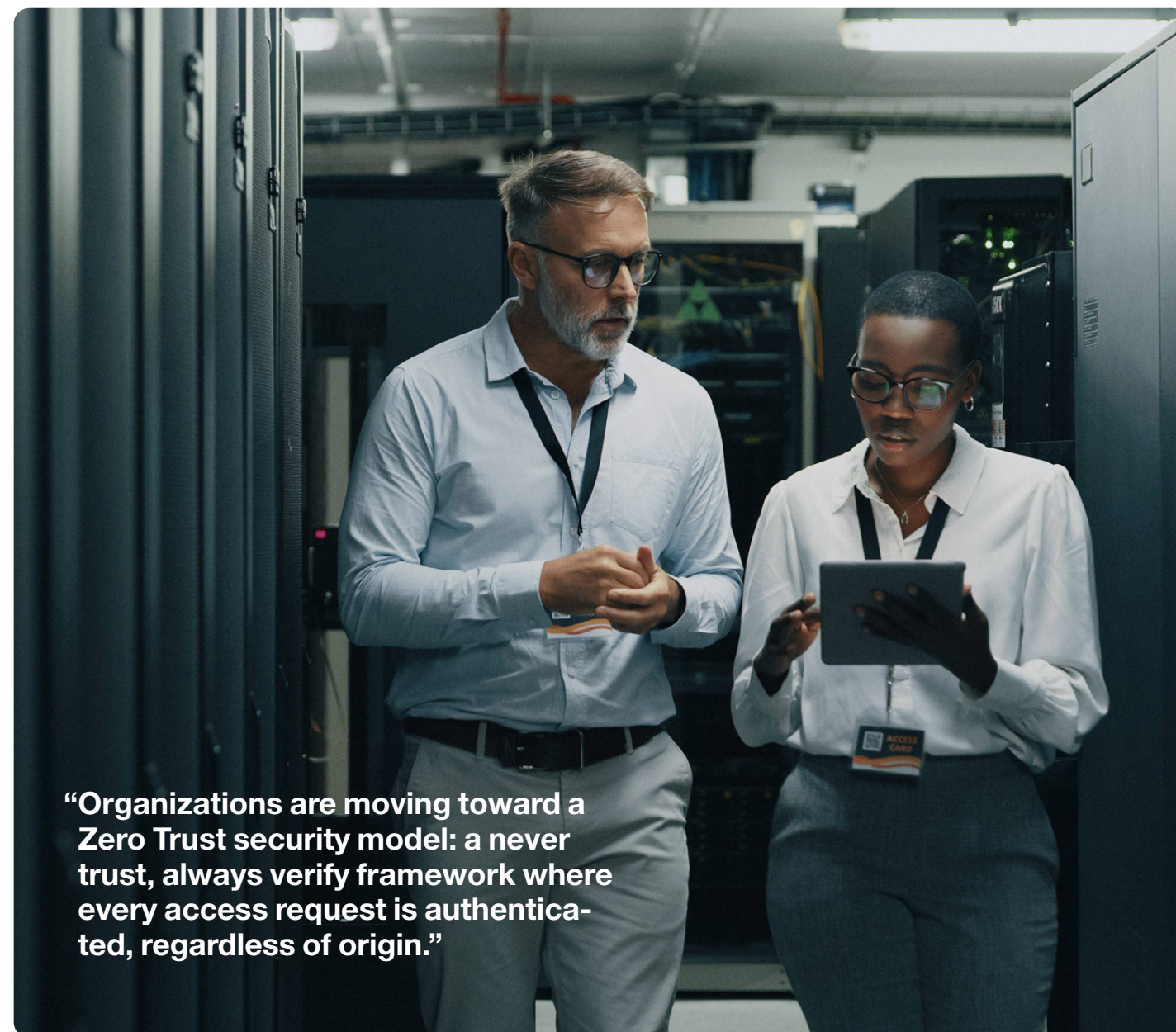
Zero trust adoption

Organizations are moving toward a Zero Trust security model: a never trust, always verify framework where every access request is authenticated, regardless of origin.

Implication

Enterprises are embedding strong authentication into core infrastructure, making it a foundational component of modern IT architecture.

- **Advanced MFA is the cornerstone of this architecture.** Moving beyond simple logins to enable just-in-time, context-aware access by evaluating user identity, device health, and other signals and context for every transaction, Zero Trust ensures security is continuous rather than a one-time gate.
- **Adapting to modern work patterns.** The convergence of remote work, cloud migration, and decentralized digital identities has increased complexity. To manage this complexity, modern Identity and Access Management (IAM) is shifting toward secure, passwordless experiences that integrate behavioral analytics. As security evolves, users also expect seamless, convenient login experiences.
- **Rise of non-human identities.** Beyond human users, the surge in service accounts, agents, and IoT devices has created a new security frontier. Managing these non-human identities requires specialized machine-to-machine authentication, ensuring that every automated process is as strictly verified as a human login.



“Organizations are moving toward a Zero Trust security model: a never trust, always verify framework where every access request is authenticated, regardless of origin.”

Market drivers

Cybersecurity initiatives and regulatory drivers

In response to escalating digital threats, governments and industries are enforcing more stringent cybersecurity frameworks globally. Regulation is increasingly moving from guidance to enforcement, mandating higher assurance authentication standards across sectors.

These initiatives and regulations aim to fortify trust in digital ecosystems by mandating high-security standards, such as phishing-resistant multi-factor authentication. While many of these requirements target high-assurance sectors including Finance, Government, and Critical infrastructure, broader guidelines are also emerging for the general business community.

For Yubico, these global efforts represent both responsibility and opportunity. The company actively contributes to the development of open standards such as FIDO2 and WebAuthn, enabling compliance with new regulatory demands while improving user experience. By engaging with policy makers, security agencies, and industry alliances, Yubico helps shape a safer digital ecosystem where strong authentication protects people, organizations, and data integrity worldwide.

Implication

Regulatory frameworks are converging toward phishing-resistant, hardware-backed authentication, accelerating adoption across industries and geographies.



Recent regulatory initiatives

INITIATIVE EXAMPLES

KEY IMPLICATIONS

National initiatives

US National Cybersecurity Strategy

Increasing regulatory pressure on organizations to strengthen their defenses and adopt proven MFA solutions like hardware-based security keys. The Department of Defense’s Cybersecurity Maturity Model Certification (CMMC 2.0) came into effect in November 2025 requiring contracting officers to include strict cybersecurity requirements including MFA.

UK Government update of Cyber Essentials v3.3

MFA is mandatory for all cloud services by April 2026. NCSC (The National Cyber Security Centre) strongly recommends FIDO2 and Passkeys.

Financial services regulation (Global)

US

Federal Financial Institutions Examination Council (FFIEC): Recommends MFA using hardware and cryptographic factors. Some banks now issue YubiKeys to protect high-value clients from credential theft.

EU

Digital Operational Resilience Act (DORA): Enhances cybersecurity and operational stability for financial institutions across the EU, strengthening resilience against cyber threats and digital risks.

Asia (Japan, India, Philippines, Singapore)

Asia, has recently strengthened its financial regulations related to stronger MFA to protect against fraud.

- In October, Japan Securities Dealers Association (JSDA) and Japanese Financial Services Agency finalize guidelines mandating phishing-resistant MFA for login, trading, withdrawals and changing withdrawal accounts by June 30th 2026
- In September, Reserve Bank of India encourages the use of FIDO2
- In June, Philippines Central Bank states FIDO2 is preferred MFA method
- July 2024, The Monetary Authority of Singapore mandates FIDO2 Security Keys for customer use with financial institutions

Middle East

The Central Bank of UAE (CBUAE) has issued a directive asking financial institutions to eliminate weak authentication methods including SMS and email one-time passwords by March 2026.

Critical infrastructure

EU NIS2 Directive

Expands cybersecurity rules for critical sectors such as energy, healthcare, and transportation, enhancing the EU’s resilience against cyber threats.

Singapore’s Operational Technology Cybersecurity Masterplan

Focuses on protecting critical infrastructure in key sectors like energy, water, transportation, and healthcare from operational technology threats.

Digital identity

European Digital Identity Wallet (EUDI)

A pan-European initiative requiring all member states to launch a digital ID by 2026. Yubico is contributing to Germany’s national project to develop prototypes for a secure, universal EU identity.

Mobile Driving license – (US)

Eighteen US States and/or jurisdictions have issued mobile driver licenses with three other States in active pilots. In the US, Mobile Drivers Licenses are seeing adoption for their convenience but will also help reduce fraud in the future.

United States — Technology Case study Cloudflare

Cloudflare stops phishing attacks with mandatory YubiKeys

Cloudflare helps secure a significant share of the Internet, with a global network spanning 335 cities across 125 countries and services. With that scale and visibility, Cloudflare sees constant pressure from attackers.

“The general cybersecurity landscape these days seems to be an increase in phishing attacks, targeted attacks through SMS,” says Derek Pitts, Director of Cybersecurity & Platform at Cloudflare.

“In 2022, there was a targeted attack that was SMS based. It was targeting employees based on the ability to create a page that looked exactly like our login page. The same thing for Twilio. There was a cloned page of their IDP login page. It then intercepted the username and password that was entered in real time, and then it attempted to also get the second factor,” Pitts adds.

Before the SMS based phishing attempt in 2022, Cloudflare had already strengthened its authentication posture by making YubiKeys mandatory for every application.

“So the main thing that blocked the attack was the fact that they didn’t have the second factors, which would be the YubiKey security key.

Derek Pitts, Director of Cybersecurity & Platform at Cloudflare.

To support a global workforce and ensure employees received security keys on time during onboarding, Cloudflare also adopted Yubico’s turnkey Delivery services. This removed the internal logistics burden of packing and shipping keys. Instead, Cloudflare could enter the dates and addresses for each employee’s delivery, and the keys would arrive as needed.

“We were just putting in the dates and the addresses for when people needed to get the things and they would just magically show up,” Pitts adds.

When employees were targeted by the SMS based phishing attack in 2022, the impact was contained. *“So the main thing that blocked the attack was the fact that they didn’t have the second factors, which would be the YubiKey security key. This prevented them from successfully logging in as the user and then compromising any applications,” Pitts explains.*

Although several employees did enter credentials into the phishing page, the attackers could not complete the login process because they did not possess the required security key second factor. The attempt stopped there, and Cloudflare’s response was limited to rotating affected credentials.

Business model

Targets and strategy

Yubico’s business is built around its core invention, the YubiKey, a hardware-based security key that protects users and organizations against phishing, credential theft, and account takeovers.

By replacing passwords and weak authentication methods with strong, phishing-resistant authentication, Yubico addresses one of the most common and costly cybersecurity risks facing both enterprises and individuals. Stolen credentials remain a primary entry point for attackers, and Yubico makes secure authentication simple, scalable, and accessible globally.

Yubico’s model combines secure hardware with software and services that simplify deployment and lifecycle management. This is supported by global delivery and distribution capabilities designed to meet the needs of modern organizations operating across multiple countries, user groups, and IT environments. As customers increasingly adopt passwordless and phishing-resistant authentication as a foundational security layer, Yubico’s offering becomes a critical enabler of secure access to systems, networks, and online services.

To meet different customer needs and buying preferences, Yubico offers its solutions through two complementary business models: a perpetual model and a subscription-based model: YubiKey as a Service (YaaS). These models allow Yubico to support both incremental adoption and large-scale enterprise roll-outs, while enabling long-term customer relationships and improved revenue visibility over time.

Long-term financial targets

Yubico aims to continue developing both business models, with a long-term ambition to increase the share of subscription-based revenue as customers expand deployments and adopt additional services. This balanced approach supports both immediate adoption and long-term value creation.

Through this strategy, Yubico targets average annual net sales growth of 25 percent over the coming years¹ and an EBIT margin of at least 20 percent, supported by scalable operations, recurring revenues, and continued investment in innovation. These targets reflect Yubico’s confidence in the long-term structural demand for phishing-resistant authentication, the company’s competitive position, and its ability to scale globally while maintaining strict quality and security standards.

Vision
Making the digital world safer for everyone

Mission
Protect the digital you

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) Financial targets were set in 2024 and apply for the next 5 years.

Business model, targets and strategy
Two different business models

Perpetual model

One-time investment with long-term ownership

The perpetual model, is our legacy model and the one that still represents the majority of our order bookings. It is based on a one-time purchase of YubiKeys, where customers gain full ownership of the hardware. Revenue is recognized at the time of delivery of the keys to the customer. This model provides a simple and flexible way to deploy phishing-resistant authentication without time limitations. It is often used by customers who want to start with smaller deployments, test use cases, or gradually expand adoption over time.

For many organizations, the perpetual model represents a low-friction entry point. Teams can deploy keys to a limited group, validate user experience and compatibility, and then expand coverage as internal confidence grows. This approach is common in environments where IT and security teams want to prove value before

committing to a broader rollout, or where procurement processes favor upfront investments rather than recurring subscriptions.

For Yubico, the perpetual model frequently serves as an important initial step in the customer relationship. It enables customers to validate the solution in practice and can later evolve into larger deployments, including a transition to subscription-based purchasing as the organization's needs mature. For many customers, the first YubiKey purchase marks the beginning of a long-term relationship and recurring demand as they scale adoption across business units, geographies, or new employee cohorts.



Percentage of bookings

77%

Subscription model

Stopping AI-driven cyber attacks with a flexible scalable solution with YubiKey as a Service subscription

The subscription-based model, YubiKey as a Service, represents a strategic evolution of Yubico's business model. Introduced in 2020 to support large and global deployments, it lowers the initial cost of adoption and allows organizations to license YubiKeys on a per-user basis. This makes it easier for enterprises to align deployment pace with internal requirements, onboarding cycles, and security transformation roadmaps.

YubiKey as a Service has since evolved into a more comprehensive solution, serving as the primary delivery framework through which Yubico's services are offered and integrated.

The subscription model is designed for organizations that require flexibility, ongoing support, and the ability to scale deployments in line with changing needs. It enables continuous customer engagement throughout the deployment lifecycle,

strengthening retention and long-term customer relationships. For Yubico, the model supports improved revenue visibility and predictability, as revenues are recognized over the contract period rather than at the time of shipment.

Beyond financial predictability, the subscription model supports deeper customer dialogue. It encourages a more structured lifecycle approach to deployment, where customers are supported not only at the point of purchase but throughout rollout, optimization, and expansion. As YubiKey as a Service increasingly becomes the platform through which services such as enrollment, delivery, and future capabilities are bundled and delivered, it further reinforces this lifecycle engagement. This is especially important for large organizations implementing passwordless authentication across thousands or tens of thousands of employees, contractors, or partners.

In 2025, subscription-based orders accounted for 28 percent of total order bookings, reflecting continued momentum and customer demand for flexible deployment models supported by integrated services and the shift toward a more integrated, service-based offering.

Percentage of bookings

23%

Business model, targets and strategy

Strategy and progress in 2025

Driven by a vision of a safer internet for everyone, Yubico’s mission has evolved from simplifying secure logins to protecting users throughout their entire digital lifecycle.

To translate this expanded mission into execution, Yubico is focusing on five strategic priorities that scale trust, usability, and market reach across the identity security landscape:

- **Advance the secure root of trust:** Continue to strengthen Yubico’s position as the world’s most robust, cryptographically verifiable hardware-backed authentication devices.
- **Enhance YubiKey as a Service:** Accelerate the ability for organizations to benefit from the adoption of the YubiKeys through value-added services, continuous security for users across all business scenarios, devices, platforms and locations.
- **Expand into digital identity platform and services:** Built on Yubico’s foundation, the platform protects user and AI agent identities end-to-end, unlocks new use cases, to increase trust and privacy across the customer ecosystem.

- **Drive go-to-market expansion:** Deepen footprint with existing customers, attract new customers and activate everyday users, across markets, by leveraging our ecosystem of technical alliances, channel partners and system integrators.
- **Simplify customer experience:** Remove friction at every step, from how customers learn about, buy and deploy Yubico solutions at speed and scale, to empowering strong customer voices.

By investing and focusing on these initiatives, we will be able to deliver on our financial objectives in the coming five years.



Strategic execution progress 2025

Our perspective spans decades, but we execute quarter by quarter to drive progress in identity protection. Guided by our long-term roadmap, 2025 was a year of strategic action.

Post-quantum readiness and compliance

With security as our core mission, we debuted our Post-Quantum Cryptography (PQC) prototype and we released the Enhanced PIN YubiKey 5 series to meet tightening global compliance standards.

Asia-Pacific expansion

To extend our ability to offer security to more of the world, we laid the foundation in 2025 for our expansion into the Asia-Pacific market, including the establishment of our third global hub in Singapore, alongside our main locations in Santa Clara and Stockholm. In Q1 2026, we executed the opening of the Singapore office as a full-service entity with sales, support, supply chain, and R&D capabilities, supported by a growing team in the region.

YubiKey as a Service scale-up

We also significantly improved our YubiKey as a Service offering where we expanded the number

of countries where YubiKeys could be shipped to 175. We continued the expansion of our FIDO pre-reg service, enabling client-specific security credentials to be provisioned on the YubiKeys prior to shipment for faster deployment, including support for Okta, Microsoft and Ping.

Yubico Enrollment launch

We also launched Yubico Enrollment, revolutionizing the deployment experience with zero-touch enrollment aiming to make Yubikey distribution as seamless as a software download.

Self-service fulfilment

In December, we launched the Self-service Order feature for YubiKey as a Service, allowing organizations to send an emailed entitlement to end users. End users receive a temporary, secure web page where they can choose a YubiKey form factor, enter their address, and track delivery. By combining strong security with a seamless user experience, this feature makes it easier than ever for organizations and consumers to order, distribute, and adopt phishing-resistant authentication with YubiKeys.

Business model, targets and strategy

Go-to-market model

Yubico’s go-to-market model combines direct and indirect sales channels to reach customers across industries and geographies.

The company serves organizations and individuals globally, with a customer base that includes many of the world’s largest technology companies, financial institutions, and government agencies. Yubico’s products secure access to computers, networks, and online services for thousands of businesses and millions of users globally.

Yubico’s customer base includes 19 of the 20 largest tech companies in the US, and approximately 30 percent of the G2000 companies have purchased YubiKeys. This reflects strong adoption among organizations with advanced security requirements and large-scale deployment needs.

Combination of direct and indirect sales channels

YubiKeys are sold through a combination of direct and indirect channels, including distributors and resellers. For the largest companies and strategic accounts, Yubico predominantly uses its own global sales organization, often in partnerships with the indirect channel. Medium-sized enterprises are served through a combination of direct sales and partners, while small businesses and individual users are reached via e-commerce and local retailers.

End-consumer marketing emphasizes simplicity, safety, and personal security, while enterprise marketing highlights scalability, and strategic integration with major technology providers in addition to being the most phishing resistant authentication.

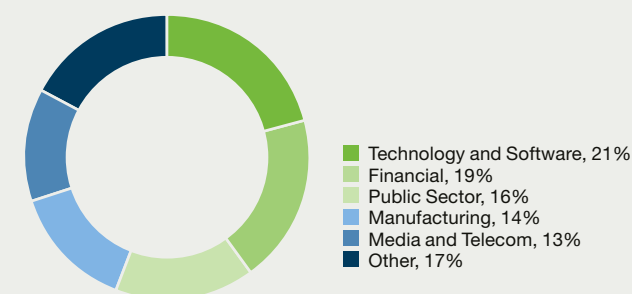
Expanding secure authentication through B2B2C

In recent years, Yubico has identified a growing need for end-consumers of its customers to adopt secure authentication methods. This approach has gained traction in the banking sector, where pilot projects in the US and Europe have enabled banks to offer YubiKeys as a secure authentication method for their customers. Beyond banking, the model is also relevant for critical infrastructure, where strong authentication is essential to protect sensitive systems and data. Through this B2B2C strategy, Yubico deepens customer relationships, strengthens security outcomes, and drives broader adoption of phishing-resistant authentication globally.

Direct-to-consumer and retail presence

In addition to its enterprise-focused go-to-market model, Yubico has an established and growing direct-to-consumer and retail business. Products are sold through e-commerce and an expanding network of retail partners like e.g. Best Buy. The consumer segment continues to grow steadily, supported by increased awareness of personal cybersecurity and broader availability through new retail channels. This complements Yubico’s enterprise business and contributes to wider adoption of phishing-resistant authentication.

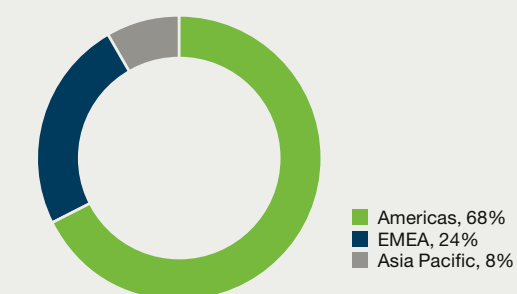
Bookings by segment



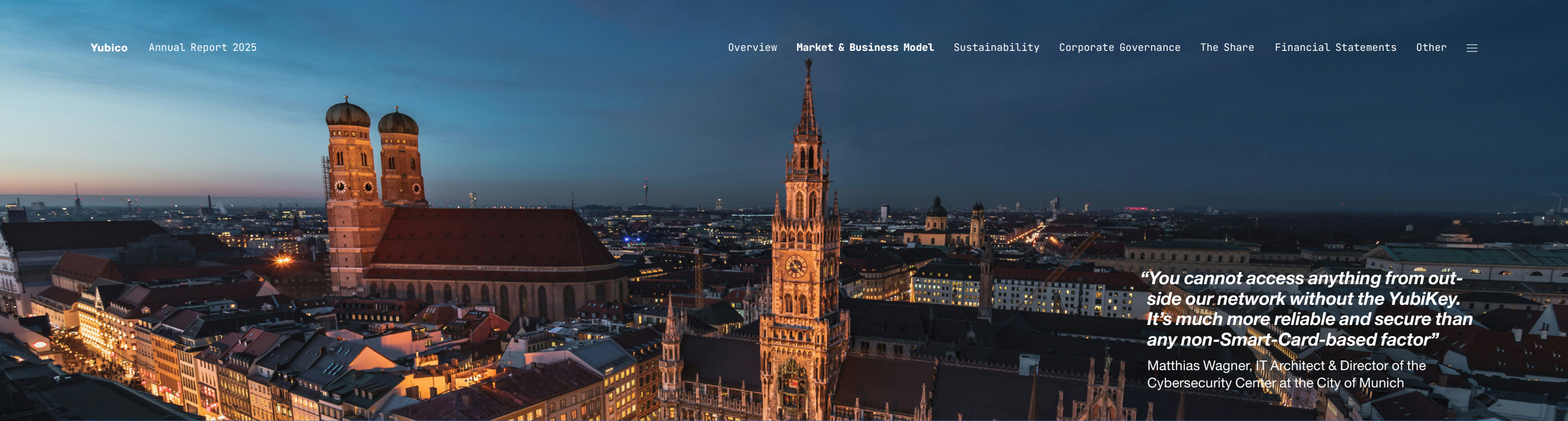
Customer base and geographic expansion

Over time, Yubico has attracted customers from a wide range of industry verticals, including financial services, manufacturing, retail, and government agencies. While the US has historically been Yubico’s largest market, Yubico is seeing strong growth in Europe and Asia, with these regions steadily increasing their share of bookings and net sales.

Net sales by region



The largest markets outside the US include the DACH region (Germany, Austria, and Switzerland) and the UK, reflecting increasing enterprise investment in phishing-resistant authentication and passwordless strategies. Yubico’s broad customer base, combined with its scalable offering and controlled supply chain, positions the company to continue expanding globally and supporting customers across a growing range of security needs.



“You cannot access anything from outside our network without the YubiKey. It’s much more reliable and secure than any non-Smart-Card-based factor”

Matthias Wagner, IT Architect & Director of the Cybersecurity Center at the City of Munich

Europe, Middle East and Africa — Public
Case Study City of Munich

City of Munich strengthens public services security with YubiKey 5 Series

As Germany’s third-largest city, the City of Munich delivers essential public services across education, healthcare, transportation, and social support for more than 1.5 million residents, while also supporting millions of visitors each year. This makes the city a highly attractive target for cyberattacks aimed at disrupting critical infrastructure.

As part of a long-term digital transformation, Munich modernized its IT environment, introducing web-based applications, cloud services, and more flexible work models. This shift increased exposure to phishing and credential theft and made it clear that legacy authentication methods were no longer sufficient.

“Phishing will always be a major threat,” says Matthias Wagner, IT Architect & Director of the Cybersecurity Center at the City of Munich. *“We knew legacy MFA would not give us the level of security we needed.”*

After evaluating several options, the City of Munich selected YubiKey 5 Series hardware security keys to strengthen authentication across its Single Sign-On environment.

Deployment began within the IT organization and was later expanded city-wide to more than 30,000 employees. During the COVID-19 pandemic, the rollout was accelerated to ensure secure remote access for staff.

Today, YubiKeys are required for remote access and for an increasing number of web-based applications.

“You cannot access anything from outside our network without the YubiKey,” Wagner explains. *“We are definitely more secure. It’s much more reliable and secure than any non-Smart-Card-based factor.”*

In addition to authentication, the City of Munich uses YubiKeys for secure printing and document signing, strengthening cyber resilience while maintaining high user acceptance and low support needs.

Customer offering

Integrated authentication solution

Yubico enables organizations to transition to phishing-resistant authentication through a scalable offering that combines hardware, software, and services.

A secure and scalable offering built round the YubiKey

Yubico's offering combines secure, hardware-based authentication with services that simplify implementation, deployment, and global rollout, and customers can do so either by buying YubiKeys on a perpetual basis or on a subscription basis.

Built on open standards and broad compatibility

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 to ensure that the YubiKey is compatible with all relevant platforms and applications. YubiKey is now 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. This broad compatibility enables customers to deploy strong authentication across heterogeneous IT environments, including both legacy infrastructure and modern cloud-based systems.

End-to-end solution for enterprise authentication transformation

Yubico's solutions are designed to make phishing-resistant authentication achievable at scale, without creating operational complexity for IT teams or friction for end users. While the YubiKey is a physical device, the customer experience is increasingly shaped by the services and deployment capabilities that surround it. This combination is a key differentiator: Yubico does not only sell a security key, it delivers an end-to-end solution for enterprise authentication transformation.

Services that simplify implementation and rollout

To reduce complexity for customers and support enterprise-scale adoption, Yubico complements the YubiKey with a range of Enrollment and Delivery services, available exclusively through YubiKey as a Service, that cover the full deployment lifecycle. These services are designed to help organizations become phishing-resistant quickly while minimizing operational burden for IT teams and end users, particularly in distributed workforces where employees may be located across multiple countries and time zones.



Essential terms in strong authentication

FIDO Alliance

Fast Identity Online Alliance – An industry consortium that develops open standards for secure, passwordless and multi-factor authentication based on public-key cryptography.

FIDO2

An open authentication standard that enables passwordless or multi-factor login using public-key cryptography, typically backed by hardware security keys or built-in device authenticators (e.g., biometrics). Credentials are unique per service and resistant to phishing.

U2F (Universal 2nd Factor)

A predecessor to FIDO2 that provides strong second-factor authentication using a physical

security key. It requires a user to physically interact with the key and protects against phishing by binding authentication to the requesting website.

Smart Card

A physical card containing an embedded secure chip used to store cryptographic keys and perform authentication operations. Smart cards are commonly used in enterprise and government environments for strong identity verification.

OTP (One-Time Password):

A time-based or event-based password that is valid for only a single login session or transaction. OTPs are commonly delivered via authenticator apps, hardware tokens, or SMS to provide an additional layer of security.

Customer offering

Enrollment services and delivery

Enrollment services accelerate phishing-resistance at speed and scale

While the YubiKey is a physical device, enterprise deployment success is increasingly shaped by the services that support implementation and rollout. To reduce complexity and accelerate adoption, particularly for organizations with distributed workforces, Yubico has developed Enrollment services to support large-scale deployments under YubiKey as a Service. Enrollment services simplify the registration, configuration, and implementation of YubiKeys globally, helping IT teams onboard users quickly and consistently across geographies and teams. By reducing manual steps and operational complexity, Enrollment services shorten time-to-value and improve the experience for both administrators and end users.

FIDO Pre-reg

FIDO Pre-reg is a turnkey approach where factory-enrolled or pre-enrolled YubiKeys are delivered directly to end users, including to residential addresses. This enables employees to go passwordless from day one and reduces workload for IT teams by minimizing internal handling during deployment. This provides flexibility in situations where turnkey delivery is not suitable, where local processes are required, or where rapid, short-notice enrollment is needed in specific regions.

Turnkey Delivery services accelerate secure global distribution

To support secure distribution as part of global roll-outs, Yubico also offers global Delivery services, which streamline logistics and shipment of YubiKeys to end users worldwide, including corporate and residential addresses. Yubico ships keys to nearly 199 global locations (175 countries and 24 territories) and works with partners to support secure logistics and reliable delivery, helping customers avoid operational bottlenecks when scaling phishing-resistant authentication across large and distributed organizations.

YubiKey as a service

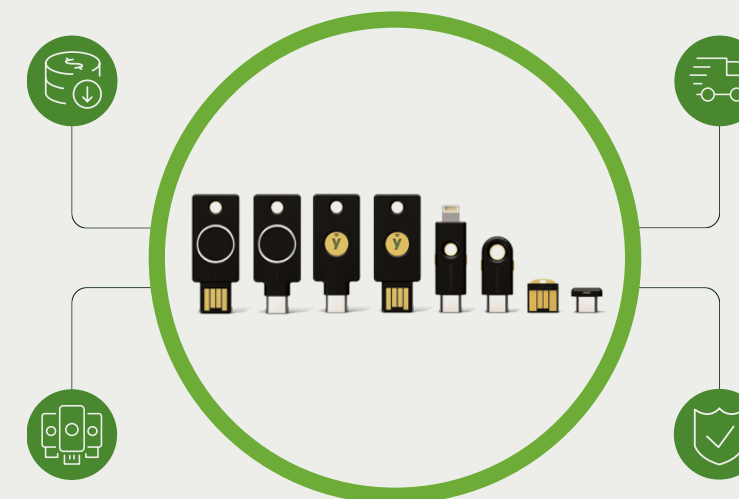
Maximize ROI with seamless rollouts product families

Lower cost to entry

- Value over multiple years, access to all current and future services
- Discounts on extra replacement and backup keys
- Extended warranty 24/7/365
- Priority Support & price protection

Flexibility and choice

- Choice of Yubikey form factors at order time
- Upgrade to other keys within the tier



Faster deployment

- A range of enrollment and delivery services to fast-track user onboarding
- Dedicated Customer Success Manager day-to-day
- Included 80 hours of Professional Services for deployment consulting

Achieve compliance

- Access to the latest certificated products to meet evolving regulations
- Eligible for up to 25 percent additional keys
- Compliance tier exclusive: one-time fleet upgrade

Customer offering

Product portfolio and complementary services

Yubico’s portfolio is built around the YubiKey family – hardware-based authenticators engineered to meet diverse security requirements across industries and environments. Supporting both legacy infrastructure and modern IT ecosystems, YubiKeys enable strong, phishing-resistant authentication across complex technology stacks. Complementing its hardware, Yubico delivers advanced cyber-security solutions that protect digital identities in an increasingly sophisticated, AI-driven threat landscape.

YubiKey

Yubico’s core product portfolio encompasses several hardware product families



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.

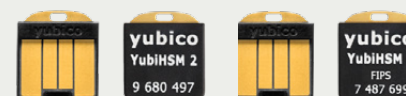
YubiKey Bio Series

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



YubiHSM

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



Enterprise Services

Customer Portal

The Yubico customer portal enables centralized management of authentication deployments, supporting key lifecycle management, user enrollment, and coordination of delivery services at scale.

Enrollment

Enrollment services enable the pre-registration of YubiKeys with identity systems prior to distribution, allowing users to receive credentials that are ready for immediate use and simplifying large-scale onboarding.

Delivery

Delivery services manage the global distribution of YubiKeys, including shipping, tracking, and inventory management, supporting efficient deployment across distributed organizations while reducing operational complexity.

Customer offering

Manufacturing and supply chain – fully controlled and secure at scale

Yubico’s hardware-backed authenticators rely on a secure supply chain where quality, integrity, and security must be maintained at every step. To achieve maximum control and safety, Yubico maintains control over the full manufacturing and supply chain, from manufacturing and programming to delivery and support.

Sensitive operations such as programming take place at Yubico’s facilities in Stockholm and California, ensuring strict handling of sensitive data and processes. Manufacturing is done in Sweden on a contract basis using customized tools, enabling Yubico to maintain tight oversight while scaling production efficiently.

Supply chain governance and chain of trust

Yubico has built a chain of trust that starts with a vendor assurance program and ends with programmatic validation of components. This approach ensures that products are built to exact specifications and that device integrity is protected throughout production and delivery. To maintain proximity to key manufacturing steps and enable continuous improvement, Yubico uses third-party suppliers located close to its main offices in Sweden and the US.

Yubico uses third-party service providers for shipment to end customers, distributors, and resellers, enabling delivery worldwide. With manufacturing, programming, testing, and shipment managed under strict control, Yubico maintains high standards for quality and security across the full product lifecycle.

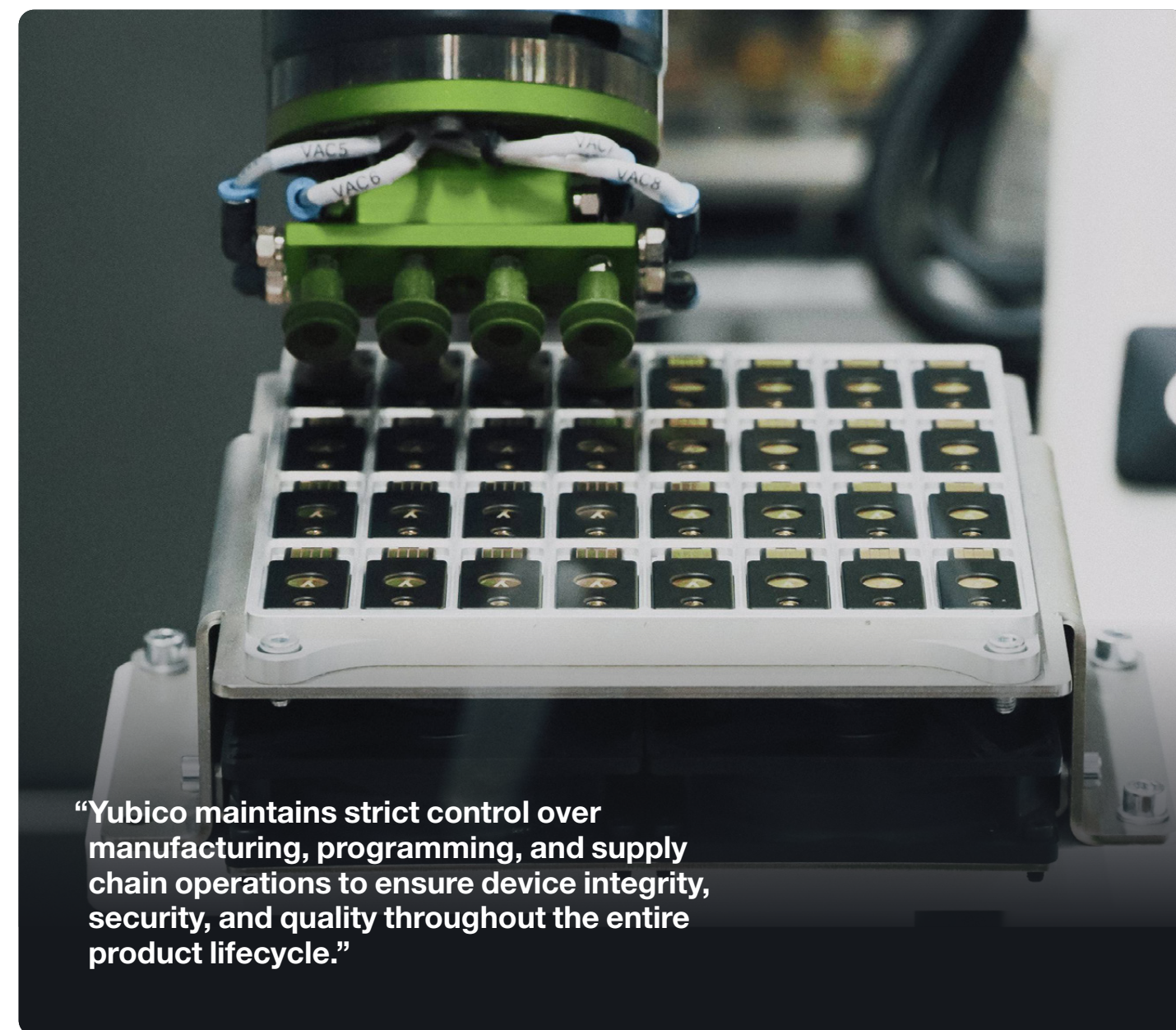
Research and development – innovation to stay ahead

Yubico’s long-term competitiveness depends on continuous innovation across hardware, software, protocols, and services. Development of Yubico’s hardware, software, and new services takes place in Sweden and the US. In addition to product development, Yubico designs and develops equipment to automate and streamline the production of YubiKeys. In total, approximately 124 developers, product owners, and project managers worked on these tasks in 2025, including developing new functionality, testing use cases, maintaining current solutions, and supporting external developers integrating YubiKeys into their applications.

Yubico also works with strategic technology partners to enable phishing-resistant MFA and strong encryption across a wide range of services. As a founding member of the FIDO Alliance, Yubico has played a central role in advancing standards for modern authentication and continues to contribute to industry progress. Yubico’s innovation has resulted in a portfolio of patents across usability, production, automation, and protocol development. To stay ahead of both attackers and competition, Yubico will continue to invest across its product portfolio and supporting services.

Accounting treatment of research and development costs

In 2025, Yubico began capitalizing product development projects with specific commercial value. This resulted in capitalized development expenditures of SEK 12.9 million for the year.



“Yubico maintains strict control over manufacturing, programming, and supply chain operations to ensure device integrity, security, and quality throughout the entire product lifecycle.”

Sustainability Report

Yubico's sustainability framework, grounded in a double materiality assessment and strong governance, guides our work on climate impact, responsible value chains, an inclusive workforce, and digital trust. Integrate ESG priorities across our operations and product lifecycle.

A letter from the co-founder

Secure identity as a cornerstone of sustainability

A journalist once looked at me and said, “You just saved my life.”

She was living under threat and surveillance. Her work depended on being able to communicate, publish, and protect her sources, without fear that her accounts would be taken over, her messages intercepted, or her identity misused against her.

That moment has stayed with me because it captures something we don’t talk about enough: sustainability is not only about what we produce, what we consume, or what we emit. It’s also about what we protect and what we preserve. It is about building societies that can endure, adapt, and stay free over time. In our era, one of the most pressing sustainability questions is this: Can we build a digital society that remains trustworthy, resilient, and human?

Digital trust, a sustainability issue

The internet is a critical infrastructure. It powers everything from healthcare and education to energy systems, elections, and the media. Yet digital spaces are increasingly shaped by threats that undermine trust: phishing attacks, account takeovers, coordinated disinformation campaigns, and AI-generated impersonation at scale.

In this landscape, identity sits at the center. Secure, verified identity is what allows people to access services safely, build legitimate communities, and participate in democratic processes, without being silenced or manipulated.

”Freedom of expression and freedom of the press are foundational democratic values. But they are also cybersecurity problems.”



A compromised account can put a journalist’s sources at risk. It can expose an activist network in an authoritarian environment. It can allow an attacker to impersonate a trusted colleague, a government agency, or a civil society leader. And it can erode trust in the information we rely on, including trust in the very idea of shared reality.

From a sustainability perspective, this is a direct threat to social cohesion, human rights, and democratic stability. A society cannot be sustainable if people cannot speak freely, organize safely, or trust the institutions and information they depend on.

The freedom to report, and to be secure

Freedom of expression and freedom of the press are foundational democratic values. But they are also cybersecurity problems.

We see how state-sponsored cyberattacks target civil society organizations and human rights defenders with relentless precision, often through phishing, credential theft, and sophisticated “man-in-the-middle” tactics designed to exploit human vulnerability. The goal is not only to take over accounts, but to intimidate, discredit, identify contacts, and dismantle networks of trust.

At Yubico we support organizations like ARTICLE 19, whose mission is to defend freedom of opinion and expression worldwide, and Civil Rights Defenders, who work in some of the most hostile and repressive environments. These communities face a reality where digital threats can translate into real-world harm. In that context, strong, phishing-resistant authentication is not a convenience, it is protection, sometimes even a lifeline.

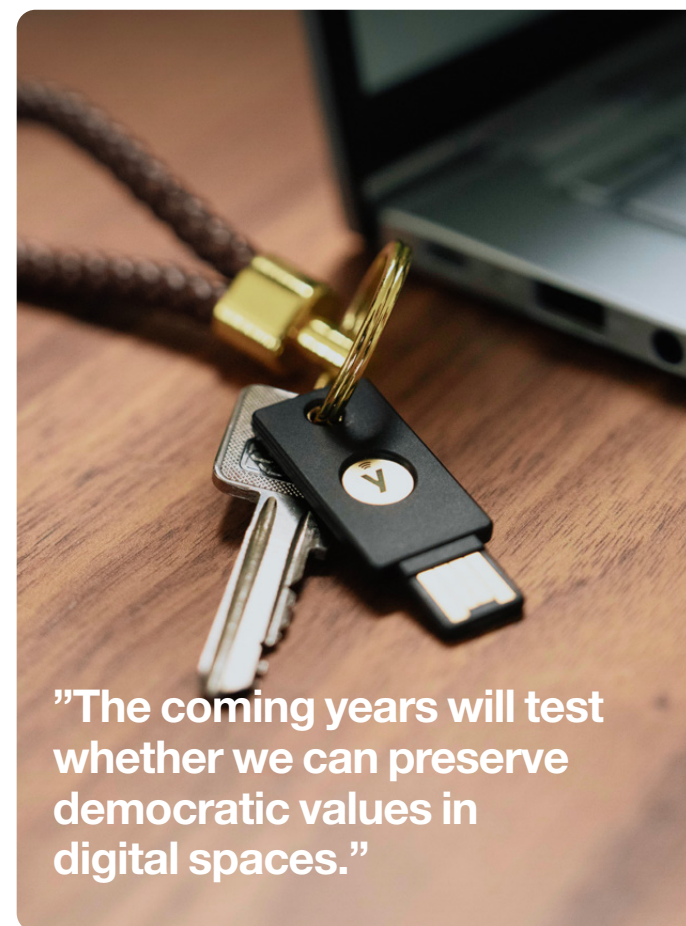
Through our Secure it Forward program, we help put high-assurance security into the hands of those most at risk: journalists, humanitarian workers, non-profit organizations, and human rights defenders. This is one of the ways we try to translate our purpose into concrete social impact.

From login security to human assurance

For years, the internet treated identity as a login problem: a username and a password. But as threats have evolved, we have learned something critical: securing login credentials is necessary, but not sufficient. We also need ways to verify and protect *who* is behind a digital identity, while preserving privacy, minimizing surveillance risks, and keeping power in the hands of individuals.

This is why Yubico has and will continue to be a lead innovator and driver of the FIDO passkeys strong authentication standard. The technology is becoming ubiquitous across platforms, browsers, and enterprise systems. In the form of security keys, including YubiKeys, requiring a human touch for user verification; it offers the strongest protection for humans on the internet.

In close partnership with government agencies, the tech giants and SIROS Foundation, Yubico is driving the development and adoption of passkey enabled digital identity wallets. In 2026 we are rolling out large-scale pilots across government agencies in three continents, for international research organizations and a global network of 1000 investigative journalists.



By expanding passkeys into cross border digital identity wallets, we aim to create something profoundly positive, both for Yubico’s growth and the world at large: an interoperable identity ecosystem that is secure, privacy-preserving, and scalable, where individuals control their identity and choose what information to share.

Sustainability means protecting what society depends on

Yubico’s sustainability work spans environment, social responsibility, and governance. From reducing emissions and improving circularity in our value chain, to building an inclusive workplace, to strengthening ethical governance and responsible partnerships.

But our most distinctive sustainability contribution is also our core business: leadership in cybersecurity and digital trust. Because trust is what enables modern systems to function.

When identity fails, everything downstream becomes fragile: elections, healthcare systems, emergency response, financial infrastructure, education platforms, and the media. When identity is strong – phishing-resistant, privacy-preserving, interoperable – we can build digital systems that are more resilient, more inclusive, and less vulnerable to manipulation.

The coming years will test whether we can preserve democratic values in digital spaces, including freedom of the press, freedom of expression, and the right to participate without fear. That test will not be passed by technology alone. It will require policy, standards, collaboration, and a shared commitment to human rights.

Our responsibility is to keep raising the bar: expanding phishing-resistant authentication, enabling privacy-preserving digital credentials, supporting open standards, and protecting those who are targeted simply for telling the truth.

Stina Ehrensvärd
Co-founder, Yubico

Non-Governmental Organization
Case study Radio Free Europe

Radio Free Europe defends independent journalism with YubiKeys

For more than 75 years, Radio Free Europe/Radio Liberty (RFE/RL) has provided independent journalism in regions where press freedom is restricted. Today, RFE/RL operates across 22 countries and 26 languages, publishing news via web, video, and radio. This mission makes the organization a frequent target for authoritarian regimes seeking to silence independent reporting.

RFE/RL journalists face persistent physical and digital threats, including surveillance, harassment, and cyberattacks. Account takeovers pose a particularly serious risk: if a journalist's account is compromised, sensitive communications and the identities of sources could be exposed, putting lives at risk. More than 90 percent of cyberattacks against RFE/RL involve phishing, often using increasingly sophisticated techniques such as fake push notifications.

"It's not about losing a bank account number," says Carter Boone, News Product Manager for Safety at RFE/RL. "In many cases, it's a matter of life and death."

To defend against phishing attacks, RFE/RL strengthened its authentication strategy with YubiKeys.

Through Yubico's Secure It Forward Program, RFE/RL implemented Yubikey's across internal systems and social media accounts, extending protection to their journalists worldwide.

"Passwords were a weak point," Boone explains. "We are now moving toward a passwordless future with a trusted device. It makes life safer and easier for our journalists."



"Passwords were a weak point. We are now moving toward a passwordless future with a trusted device. It makes life safer and easier for our journalists."

General information

Basis for preparation

This is the statutory sustainability report of Yubico AB and its subsidiaries (hereafter Yubico), in accordance with the Swedish Annual Accounts Act, version in force before July 1, 2024, aligning with the scope of the financial report for 2025. Yubico is closely monitoring the development of new and updated sustainability reporting frameworks (such as ESRS) to ensure future alignment with evolving regulatory requirements. No material information has been omitted on the basis of sensitivity or confidentiality.

Sources of estimation and outcome uncertainty

The most significant source of estimation uncertainty is the calculation of Scope 3 Greenhouse Gas (GHG) emissions. This process is inherently uncertain due to limitations in the availability and accuracy of primary data, including gaps in supplier-specific information, reliance on industry averages, and assumptions embedded in spend-based methodologies. Yubico is committed to continuously improving the quality and granularity of our Scope 3 data over time. The calculation for each Scope 3 category employs the most relevant and robust accounting methodology currently available, such as spend-based, activity-based, and average-data methods, to provide the most accurate estimate possible while balancing accuracy with data accessibility.

Changes in the preparation or presentation of sustainability information

During 2025, Yubico conducted a complete GHG inventory, assessing the relevance of all 15 Scope 3 categories, to establish a new base year (2024) for GHG emissions. The data from this inventory is presented as comparative data in the tables in this report.

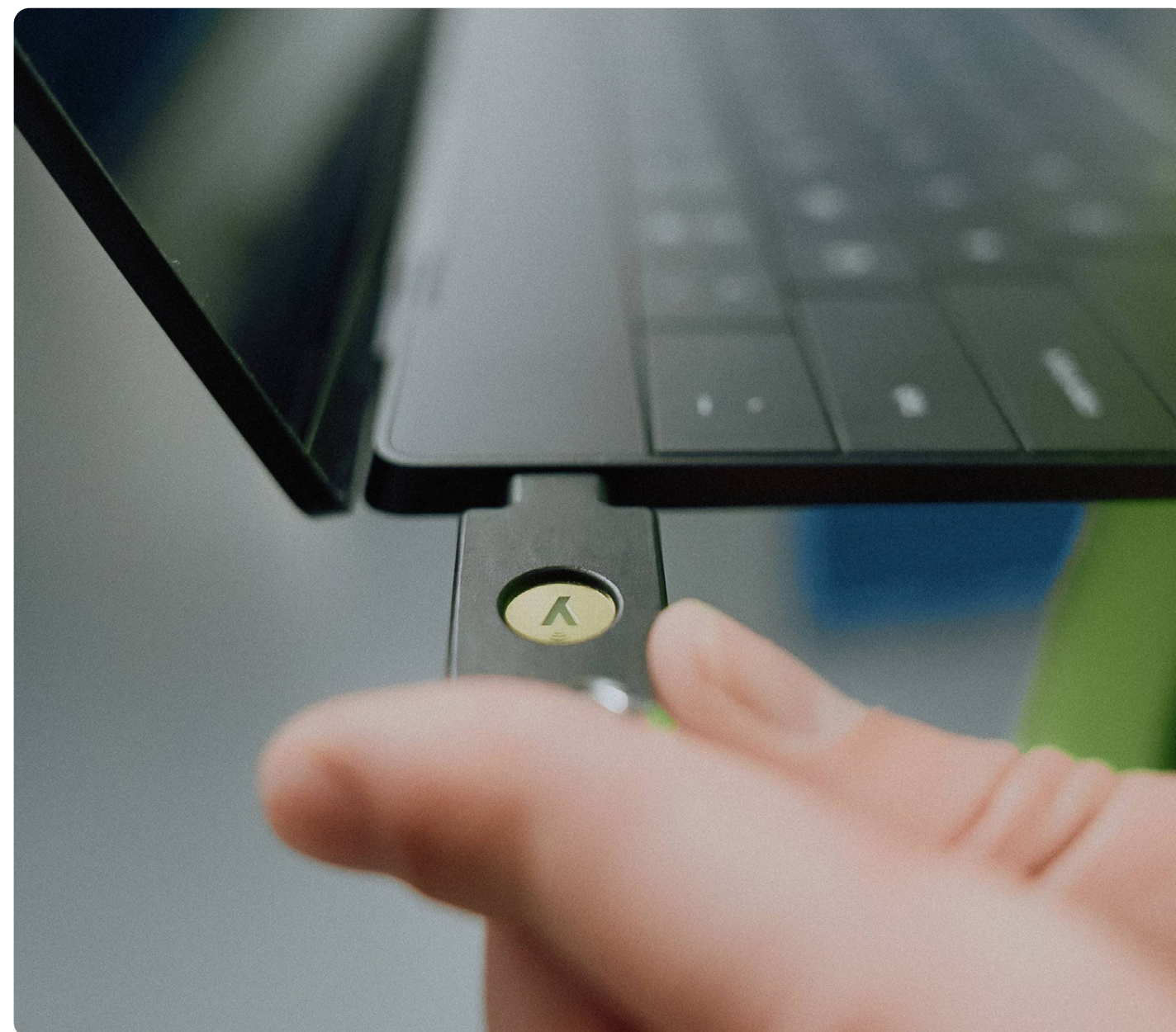
The number of Yubico offices decreased by one compared to 2024, following the closure of the San Francisco, US office in July 2024.

Business model and sustainability

Yubico's business model, strategy, and product portfolio are described in the Annual Report, starting on page 21. Our strategy for sustainability is anchored in five key focus areas that guide our commitment to environmental, social, and governance (ESG) matters:

- 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

These areas were further detailed and validated in the Double Materiality Assessment (DMA) presented below, forming the basis for identifying material impacts, risks, and opportunities.



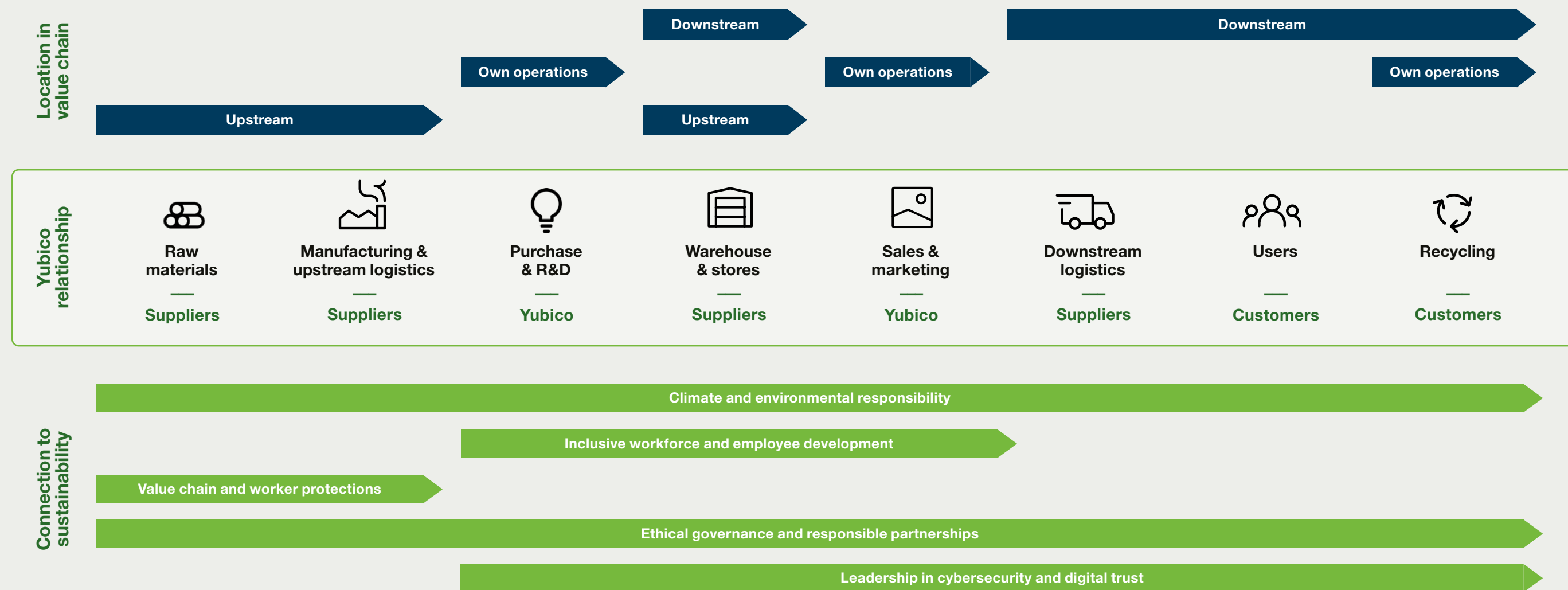
General information

Value chain

Yubico's value chain, and how it is connected to our five sustainability focus areas, is illustrated below. *Upstream activities* involve the production and sourcing of the hardware used to produce our products, and this is also where our most significant

environmental impact occurs. The non-safety critical electronic components used in our products are mainly sourced from China, Taiwan, and Malaysia; the safety and cost-critical components are

sourced from Germany, transported to Sweden where the products are manufactured. *Downstream activities* include the storage, transportation, and use of our products.



General information

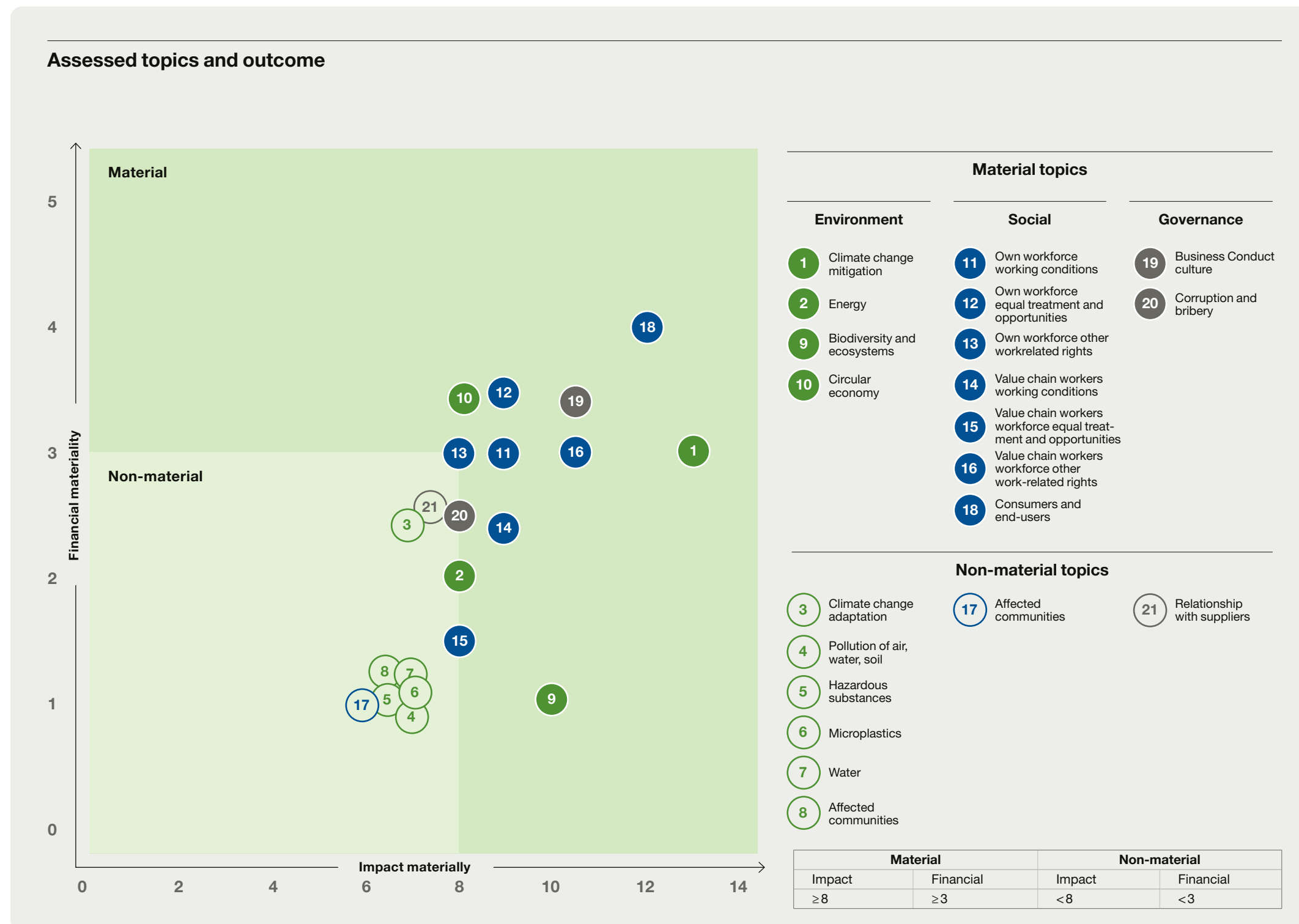
Stakeholder engagement

We engage key stakeholders in meaningful, ongoing dialogue to shape Yubico's sustainability agenda and identify material sustainability matters that align with not only the company's objectives but also external expectations and requirements. The method of engagement and topics of interest for each key stakeholder group are:

- **Shareholders and owners:** Direct dialogues, investor days, earning calls, AGMs, and sustainability questionnaires. Their primary topics of interest focus on innovation, brand reputation, and governance to drive profitability and long-term financial performance.
- **Capital markets:** Direct dialogues and the official IR website and communications. Their interest centers on regulatory alignment and data accuracy to ensure creditworthiness and market stability.
- **Suppliers:** Meetings and business reviews, surveys, and audits. The topics of interest are fair payment terms, contract stability, and shared goals.
- **Employees:** Employee satisfaction and engagement surveys, performance reviews, 1:1 manager meetings, and town halls. Our people are interested in working conditions, career development, and organizational culture.
- **Consumers and end-users:** Product feedback surveys, Customer Advisory Board, customer support, public channels, user experience testing, community forums, and, for B2B clients key account managers. Their topics of interest encompass product security, quality, data privacy, accessibility, ethical sourcing, and secure digital identity solutions.



General information



Material impacts, risks, and opportunities

Double Materiality Assessment (DMA)

The process of identifying and assessing *material impacts, risks, and opportunities* (IROs) across Yubico’s operations and value chain began with creating a long list of potential material topics based on the European Sustainability Reporting Standards (ESRS), peer benchmarking, and previous assessments. Secondly, key internal stakeholders were interviewed to map value chain impacts, supplemented by desktop research on environmental and social risk frameworks. Thirdly, internal and external stakeholders participated in assessment engagements (interviews/workshops) to identify actual and potential IROs across ESG domains.

The process prioritized both actual and potential impacts based on their *Severity* (which encompasses *Scale, Scope, and Remediability*) and *Likelihood*, setting the threshold for impact materiality at a score of ≥ 8. Separate workshops were held to assess the *Magnitude* and *Likelihood* of potential financial effects (risks and opportunities), including physical and transitional climate risks, with the threshold for financial materiality set at a score of ≥ 3.

The draft results were documented, visualized in a materiality matrix, validated through a workshop with the key internal stakeholders, and finally presented to the management team and Board of Directors.

To ensure the continued accuracy and relevance of the material IROs, the DMA was formally reassessed in early 2026. This repeatable DMA process is key to validating the material topics in light of any internal or external changes.

General information

Policies

Yubico’s sustainability framework is built on a foundation of comprehensive policies, overseen by the Board of Directors and reviewed annually. The implementation is delegated to the Yubico General Counsel. The board-approved policy framework applies to all units, companies, executives, board members and employees. All new employees must read and sign the policies during onboarding, with an annual refresh training and recertification.

Code of Conduct

Establishes high ethical standards, ensuring the protection of human rights, fair employment, safe working conditions, and responsible environmental management. The policy mandates adherence to all internationally recognized human rights, including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (covering non-discrimination, forced/child labor, and collective bargaining). Yubico is committed

to implementing the UN Guiding Principles on Business and Human Rights, actively seeking to avoid and address adverse human rights impacts throughout our operations. The Code must be read and signed upon hire. Compliance is monitored annually by senior management, and all breaches must be reported. Due to onboarding and continuous training programs, the awareness of our Code is high. The training completion rate for active employees in 2025 was 97 percent.

Anti-Corruption Policy

Applies to all employees, personnel, and board members, and extends to Business Partners (including suppliers and consultants). Yubico adheres to relevant laws, specifically the US Foreign Corrupt Practices Act, UK Bribery Act, and Swedish anti-bribery legislation. Violations will result in action, such as dismissal/written warning for employees or contract termination for Business Partners. Training is mandatory, beginning with the new employee introduction program and continuing with periodic anti-corruption training. Yubico protects employees who report suspected breaches in good faith from retaliation, though this protection is not guaranteed for reports made in bad faith. There were no confirmed incidents of corruption during 2025. The training completion rate for active employees in 2025 was 97 percent.

Whistleblower Policy

Provides internal channels to raise concerns regarding suspected wrongdoings, such as breaches of financial, environmental, or data protection regulations, as well as serious improprieties like bribery, discrimination, or harassment. Reports can be made in writing or orally. All reports are treated as confidential and sensitive, and the identity of the reporting person is protected by confidentiality. Yubico applies a strict policy of non-retaliation against employees who report in good faith. The internal investigation team receives the report, confirms receipt within seven days, and provides final feedback on the investigation and measures taken within three months. In 2025, two complaints were reported, none of the cases were substantiated. The two cases were closed after investigation.

Overview of material topics, policies, and KPIs

Topic	Material subtopic	KPIs	Policies
Environment	Climate change	– GHG emission reductions in scope 1, 2 and 3 – % of renewable energy use	– Code of Conduct
	Biodiversity and Ecosystems	– BPCoC coverage	– Business Partner Code of Conduct
	Circular Economy & Resource Use	– Waste disposal methods	– Code of Conduct – Business Partner Code of Conduct
Social	Own workforce	– Employee survey – Workforce metrics – Gender pay gap – Training & skills development	– Code of Conduct – Whistleblower Policy – IT, Information Security & Privacy Policy
	Workers in the value chain	– BPCoC coverage	– Business Partner Code of Conduct
	Consumers and end-users	– Number of security/privacy breaches – Number of YubiKeys donated via <i>Secure it Forward</i>	– Code of Conduct – IT, Information Security & Privacy Policy – Communication Policy
Governance	Business conduct	– Number of incidents – % of employees trained in key policies	– Code of Conduct – Anti-corruption Policy – Whistleblower Policy – Related Party Transaction Policy

General information

Business Partner Code of Conduct

Sets out minimum ethical requirements for all Business Partners (consultants, agents, distributors, suppliers, and their affiliates). Partners must operate in compliance with all applicable laws, rules, and Yubico instructions. The core mandates include respecting human rights (UN Universal Declaration) and labour standards (ILO conventions, prohibiting child/forced labour and discrimination); ensuring business integrity (no corruption, fair competition, conflict disclosure); maintaining employee health and safety; and minimizing adverse environmental impact. Partners must also ensure their own Business Partners comply with the code. Yubico maintains the right to audit compliance, and non-compliance is grounds for contract termination. Violations or requests for advice must be reported immediately.

Specific policies

Related Party Transaction Policy

Aims to minimize the risk of inaccuracies and irregularities arising from transactions and relationships with related parties. It establishes a clear division of responsibility between the Board of Directors and the CEO for pre-clearance, documentation, and reporting. Ensures that all related party transactions are commercially fair, made in accordance with the arm's length principle, and documented by written agreements. This policy applies to the CEO, executive management and Board of Directors, and is not part of the new employee onboarding or annual training.

IT, Information Security & Privacy Policy

Ensures that IT governance is performed in a cost-effective way, contributes to efficient business processes, and aligns with Yubico's business objectives. It mandates the control and governance of IT in a responsible and professional manner, enforcing confidentiality, integrity, and availability. It stipulates guiding principles for IT, information security, and privacy, and defines roles and responsibilities. The policy applies to all employees and externals, and the Board of Directors is the authorized approver and ultimately accountable.



Environment

Climate and environmental responsibility

Climate change mitigation and energy

Following the DMA, 'climate change mitigation' and 'energy' were confirmed as material, representing actual negative impacts in both Yubico's own operations and our upstream value chain. This materiality is primarily due to energy-related dependencies, which generate a majority of Yubico's GHG emissions across Scope 1, 2, and 3.

Yubico's environmental impact is overwhelmingly due to indirect Greenhouse Gas (GHG) emissions, comprising 99 percent of our total emissions. These emissions are predominantly linked to:

- Operational activities: Business travel (62 percent) and employee commuting (5 percent)
- Product value chain: Purchased goods and services (20 percent), upstream transportation and distribution (9 percent), and end-of-life treatment of sold products (1 percent).

These dependencies also create the primary environmental risks: transitional climate risks (potential financial effects from new policies, regulations, and market changes that could increase operational costs or complicate the supply chain) and reputational and competitive risks if the company fails to mitigate our emissions.

Steering through policies

Yubico has adopted climate-related policy commitments in our Code of Conduct (CoC). The environmental section of the CoC outlines Yubico's commitment to reducing our GHG emissions, continuously

minimizing the negative impact of our own operations, and taking a precautionary environmental approach. Corresponding expectations are communicated to all business partners via the Business Partner Code of Conduct, requiring them to continuously improve their sustainability practices and minimize their impacts.

Business travel

The preferred format for meeting with coworkers, customers, or external parties is the digital meeting. When in-person meetings are necessary, Yubico requires employees to adhere to the following guidelines to reduce environmental impact and ensure efficiency:

- Seek the most environmentally friendly mode of transportation.
- Plan and book trips well in advance to ensure cost-effectiveness.
- Location planning to ensure that the location requiring the least amount of travel is selected.

In the second half of 2024, a new, globally available platform was rolled out to handle the majority of travel bookings (certain means of travel, such as Swedish trains, are not yet available for booking on the platform), allowing further enforcement of the policy. Despite the mitigation efforts, we saw an 8 percent increase in business travel emissions in 2025 and a similar 9 percent rise in employee commuting. This reflects the overall 13 percent growth in the number of employees. While the relative increase in business travel emissions is proportionally less than the growth in the workforce, the rise in both categories underscores the continuing challenge of mitigating emissions from operational activities.

Environmentally Certified Offices

Yubico's energy consumption within our own operations is attributable to our office locations, making energy efficiency a key focus. Yubico's offices in Santa Clara and Seattle are environmentally certified under Leadership in Energy and Environmental Design (LEED). LEED is a widely used third-party certification system for commercial buildings that evaluates aspects such as building materials, energy use, water use, indoor climate, and local environment. The certification serves as a quality seal indicating properties have a lower environmental impact. In addition to holding a LEED Gold status, the Santa Clara office building also holds Fitwel and BOMA 360 certifications, meaning that it meets rigorous energy, efficiency, operations, and management standards.

At the end of 2024, Yubico relocated to a new office location in Stockholm, certified under the internationally recognized BREEAM In-Use standard (Good), which provides a framework to make sustainable improvement to the building. The building is currently undergoing a renovation focusing on energy efficiency, among the initiatives changing to a geothermal heating system, replacing the district heating system currently in use. The new system will be implemented during 2026.

The efforts focused on energy efficiency in environmentally certified offices (LEED, BREEAM) and the strategic office reduction, such as the San Francisco office closure in July 2024, are reflected in the reduction of direct emissions. Gross Scope 1 GHG emissions decreased from 12 to 9 tonnes CO₂e, and market-based Scope 2 GHG emissions saw a drop from 19 to 13 tonnes CO₂e.

Product value chain

Looking at the 2025 emissions, the most significant decrease within Scope 3 is in Purchased goods and services (category 3.1). The decrease is primarily a result of two factors: a lower volume in the number of YubiKeys produced (covering final goods and packaging) and decreased emissions from cloud services, also closely linked to the product value chain. This demonstrates the direct and immediate impact of production volumes and key operational service choices on the upstream value chain footprint.

The increase in emissions in Scope 3.4 Upstream transportation and distribution can partly be attributed to increased data quality, and partly to a lack of proportionality between the volume of shipments (and corresponding emissions) and revenue.

Biodiversity

The DMA identified that Yubico has an actual negative impact on *Biodiversity and ecosystems*, which is primarily driven by our material topic Climate change mitigation. Given that this impact is intrinsically linked to carbon and energy use throughout the value chain, it is managed under the comprehensive policies and initiatives for *Climate change mitigation* and *Energy*. Yubico does not own, lease, or manage any sites located in or near a biodiversity sensitive area.

Environment

Energy consumption and GHG emissions

(MWh)	2025	2024
Fuel consumption		
Renewable	-	-
Non-renewable	47,331	60,438
Total	47,331	60,438
Electricity consumption		
Renewable	418,478	337,317
Non-renewable	19,930	38,847
Total	438,408	376,165
Total energy consumption	485,739	436,603
Energy intensity per employee (MWh/FTE)	0.89	0.93

GHG emissions (tonnes CO₂e)

	2025	Base year 2024
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions	9	12
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions	66	73
Gross market-based Scope 2 GHG emissions	13	19
Significant Scope 3 GHG emissions		
Total Gross indirect (Scope 3) GHG emissions	3,157	3,291
1. Purchased goods and services	611	945
2. Capital goods	52	66
3. Fuel and energy-related activities (not included in scope 1 or 2)	21	11
4. Upstream transportation and distribution	420	369
5. Waste generated in operations	3	1
6. Business travel	1,884	1,751
7. Employee commuting	146	134
12. End-of-life treatment of sold products	20	14
Total GHG emissions		
Total GHG emissions (location-based)	3,231	3,375
Total GHG emissions (market-based)	3,178	3,321
GHG intensity (tCO ₂ e/FTE)	5.8	7.1

The climate data is calculated following the GHG Protocol Corporate Standard, primarily using a combination of activity-based and spend-based methods. Scope 1 and 2 emissions cover direct emissions from heating fuels (natural gas) and indirect emissions from purchased electricity in our offices. Primary data is sourced from third-party utility bills. Where actual data is not available, area-

or employee-based estimations are applied using relevant consumption benchmarks. Scope 3 data employs the most relevant accounting methodology available, balancing the use of spend-based, activity-based, and average-data methods. Scope 3.1 Purchased goods and services include the key resource inflows for Yubico's core business (YubiKeys, packaging, related office supplies, and cloud services).

Environment

Resource use, circular economy and waste management

Yubico is committed to minimizing our environmental footprint by integrating circular economy principles throughout the product lifecycle, from design and manufacturing to end-of-life management. Following the DMA, a key material issue identified is the risk related to challenges with recycling of used products in the downstream value chain. Due to security reasons, the actual YubiKeys cannot be recycled; therefore, the company actively addresses this through product design for longevity, as well as packaging and logistics stewardship programs.

Product design and longevity

Yubico strives for manufacturing that is safe, cost-effective, and environmentally responsible across our global supplier network. Products are designed for a long service life, which is a key pillar of the company’s circular economy efforts, minimizing the need for replacement.

Logistics and efficiency

The most significant environmental impact from the product lifecycle is distribution. To mitigate this, Yubico has centralized manufacturing in Sweden, reducing the need for air freight between Sweden and the US. Through optimizing quantities per shipping throughout the manufacturing chain, the number of shipments are reduced.

A new *Outbound Automation* project is currently being implemented to scale individual shipments tenfold (to 10,000/day). The new robotic fulfillment system increases efficiency and minimizes errors by using a robotic arm and visual sensors to process and track orders. The system is functional and will be fully rolled out in the first half of 2026.

Packaging innovation

In line with circular economy principles, Yubico prioritizes recyclable and recycled materials in our packaging, developing new solutions to reduce our environmental footprint and support the automated logistics system. A plastic-free packaging solution, expected to roll out during 2026–2027, will partially replace the current blister packs. The new packaging for the Outbound Automation project is made of 100 percent recyclable and renewable cardboard, featuring zero plastic, tape, or foil. It is designed for maximum efficiency and recyclability: shipping information is printed directly onto the package to eliminate physical labels, and its size (under 10mm) and weight (under 50g with up to four keys) qualify it for the lowest global postal rates, significantly reducing the environmental impact of transportation.

Reducing waste and end-of-life management

As a producer, Yubico manages the full lifecycle impact of our products and packaging. We fulfill our obligations for electronic waste management via WEEE (Waste Electrical and Electronic Equipment) and packaging materials via EPR (Extended Producer Responsibility) by partnering with dedicated organizations. This effort is ongoing as sales expand into new countries to ensure compliance with relevant market regulations.

Within offices and production facilities, waste is consistently sorted for recycling. During 2026, a new system for e-waste is being implemented across the US business to ensure responsible and compliant disposal of all electronic waste.



Waste generated in operations

	Hazardous		Non-hazardous	
	Weight (tonnes)	Tonnes CO ₂ e	Weight (tonnes)	Tonnes CO ₂ e
Recycling	0.11	0	18.07	0.1
Combustion			5.98	0.05
Landfill			4.7	2.44
Total	0.11	0	28.75	2.59

Social information

Engagement, ethical practices, and digital trust

Inclusive workforce and employee development

In a highly competitive global market for talent, Yubico recognizes that attracting, retaining, and developing our workforce is crucial to our success. We are guided by the high expectations of our employees who seek not just a job, but a workplace where their professional growth is valued and their work has genuine purpose. As a company built on the mission of making the internet safer for everyone, our purpose-driven culture is the foundation of our social commitments, addressing the material impacts, risks, and opportunities (IROs) related to our workforce as identified in the DMA. These topics center on maintaining a diverse, equitable, and healthy working environment, prioritizing employee well-being through health and safety practices, promoting work-life balance despite operational challenges, and investing in continuous training and diversity to ensure talent retention and innovation. A strong focus is also placed on employee data privacy to mitigate significant reputational and financial risks.

Working conditions

Yubico's working conditions promote a healthy, balanced, and developmental environment, with a focus on minimizing stress-related illnesses. The company strongly prioritizes employee physical and mental health through preventive care, offering annual grants for various activities (e.g. gym memberships, meditation apps), a benefit that exceeds legal and standard US practices. Work-life balance is supported by flexible working hours, which helps reduce employee turnover. Dialogue and inclusivity

are fostered through a non-hierarchical, open-door approach and several employee-led Employee Resource Groups (ERGs). These ERGs build community, provide support, and are integral to employee engagement. The company actively manages the risk of employee burnout arising from complex working times across US and Swedish time differences.

In 2025, a comprehensive review of the work environment was conducted across the Swedish operations, specifically in warehousing, distribution, and programming. This initiative encompassed engaging a consultant to assess existing processes and the physical work environment, improving the safety manual, and providing risk training for managers to enable them to conduct their own risk assessments. Furthermore, employees selected two safety representatives (skyddsombud), one each for the production and office operations.

Equal treatment and opportunities

Yubico's innovative corporate culture is strongly value-driven, emphasizing diversity, inclusion, and a healthy working environment. The company operates from 16 different countries and hosts employees of a wide variety of nationalities and backgrounds. Yubico is committed to educating all employees to counteract harassment of all kinds.

Yubico actively invests in training and skills development, recognizing it as vital for retention and innovation. This includes individual development through need-based training programs and a yearly grant to all employees for external training to complement the internal learning platform. These extensive training and development programs also create financial

opportunities by increasing profitability, enhancing employer branding, and improving retention and talent acquisition.

Yubico ensures equal treatment and opportunities through fair and competitive compensation globally, utilizing salary benchmarking tools. In 2024, the company established a company-wide framework for job architecture and leveling to provide a fair structure for scaling the workforce that was rolled out during 2025. This is supported by annual pay equity analyses in the US and Sweden, alongside a global review of employee benefits.

Other work-related rights

Yubico supports several Employee Resource Groups (ERGs). These are employee-led and volunteer-based groups that foster inclusivity, build community, and act as sources of support, education, and allyship for employees with similar backgrounds or interests. ERGs are an integral part of employee engagement and support Yubico's corporate social responsibility, including sustainability initiatives.



Social information

Our workforce in numbers

All employee data are given in headcount, at the end of the reporting period

	2025	2024
Total number of employees	548	487
By gender		
Male	370	337
Female	176	149
Not specified	2	1
By country of employment		
United States	343	303
Sweden	144	136
Germany	16	14
United Kingdom	9	9
Canada	9	8
Singapore	6	4
France	4	3
India	4	-
Japan	3	2
Australia	2	2
Netherlands	2	3
United Arab Emirates	2	-
Argentina	1	-
Greece	1	1
Poland	1	2
Malta	1	-
Non employees in workforce ¹	22	

1) New data for 2024.

By type of employment

	2025				2024			
	Female	Male	Not specified	Total	Female	Male	Not specified	Total
Permanent employees	174	368	2	544	146	326	1	473
Temporary employees	2	2	-	4	2	11	-	13
Non-guaranteed hours employees	1	1	-	2	1	-	-	1
Full-time employees	174	368	2	544	145	325	1	471
Part time employees	1	1	-	2	1	1	-	2

Diversity metrics

Gender distribution	2025						2024					
	Male	%	Female	%	Not specified	%	Male	%	Female	%	Not specified	%
Board of Directors	4	57	3	43	-	-	4	57	3	43	-	-
Executive Management Team	7	70	3	30	-	-	4	67	2	33	-	-
Managers	80	68	38	32	-	-	69	69	31	31	-	-
Employees	287	68	137	32	2	0	268	69	118	30	2	0

Age distribution 2025

	<30 years	30-50 years	>50 years
Board	-	1	6
Executive Management Team	-	4	6
Management	2	71	45
Other employees	55	270	101

Retention rate

	2025	2024
Employee turnover rate %	15.09	10.27
Number of employees who left	63	30

Health and safety metrics

There were no recordable work-related accidents during 2025, nor were there any fatalities as a result of work-related injuries and work-related ill health.

Remuneration, collective bargaining and training

All employees receive above minimum wage. There are no collective bargaining agreements within the Group.

Average training hours per employee ¹	2025	2024
Men	157	
Women	43	
Other	8	

1) New data for 2025, data not available in 2024.

Social information

Value chain and worker protections

The integrity of Yubico's products is intrinsically linked to the ethics of our supply chain. The DMA identified that issues related to Workers in the value chain are material, representing potential negative impacts and risks. Specifically, risks exist concerning Working Conditions, Equal Treatment and Opportunities, and Child & Forced Labor high up in the upstream value chain, particularly in jurisdictions deemed high-risk. Yubico addresses these risks through a firm commitment to ethical business practices, as enforced through the Business Partner Code of Conduct, described under "Policies". This policy sets out clear expectations for safe, fair, and ethical working conditions, non-discrimination, and the prevention of human rights abuses, including forced labor and child labor, across the value chain.

Consumers and end-users: Leadership in cybersecurity and digital trust

Yubico's core business is centered on protecting the digital security and integrity of individuals and organizations. Following the DMA, key material IROs in this area were confirmed: providing a positive impact on privacy and freedom of expression through products and programs, while mitigating the risk of breaches and managing the delivery of access to quality information for consumers and end-users.

This section details how Yubico's technology and purpose-driven initiatives contribute to these material topics.

Digital security and standards leadership

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 demonstrate our commitment to digital trust by pioneering the FIDO/WebAuthn standard, the world's only technology proven to stop account takeovers at scale, thereby securing consumers and end-users globally. This strong, user-friendly authentication is made universal through Yubico's efforts, including sharing open-source designs and technical support. Yubico's standards and products are widely deployed by 19 of the 20 largest internet companies, safeguarding devices and services for the majority of global internet users. Furthermore, YubiKey and YubiHSM protect critical

government infrastructure, reinforcing our role in securing citizens and democracy. We continue this work by contributing to standards bodies to expand security for future use cases like payments and IoT, and by educating the public on password-less authentication.

Secure it Forward Program

The *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, 1 key is donated. Yubico is proud to support the following groups:

- 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

Yubico's 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*.

Secure it Forward continued to scale its global impact in 2025, supporting approximately 300 organizations across 62 countries and six continents and donating nearly 27,000 YubiKeys to help protect those most at risk. Participation with new organizations grew 309 percent year over year, alongside a 9 percent increase in keys distributed. In the US, we launched our partnership with the *Best Buy Foundation's Teen Tech Centers*, providing YubiKeys and hands-on digital security education to help young people explore technology safely and confidently. We are also proud that our partnership with *Defending Digital Campaigns* won Gold in the 2025 Campaign-Tech Awards. Since 2022, *Secure it Forward* has donated nearly 100,000 YubiKeys to more than 500 organizations worldwide, reinforcing our belief that strong security should be accessible to those who need it most.

Ethical governance and responsible partnerships

As a company providing products that protect companies and millions of users worldwide, respecting the integrity of individuals and maintaining robust governance are essential to Yubico's operations. Following the DMA, key material topics were identified, including corporate culture, and corruption and bribery. These represent a mix of both positive impacts and opportunities (such as the benefits of having a strong culture) and negative impacts and risks (such as potential risk for corruption) across the value chain.

The ethical framework is built upon a foundation of internal policies, including the Code of Conduct, Anti-corruption Policy, Whistleblower Policy, and Related Party Transaction Policy (all described under "Policies"). These policies ensure robust ethical business conduct across all units, executives, board members, and employees.

Responsible partnerships are a key pillar of Yubico's sustainability strategy, extending this ethical commitment throughout the value chain. This is primarily governed by the Business Partner Code of Conduct, which sets minimum ethical requirements for all

external parties, including suppliers, consultants, and distributors. Through this code, Yubico ensures that our partners are aligned with our commitments in critical areas:

- **Environmental responsibility:** Requiring partners to continuously improve their sustainability practices and minimize their adverse environmental impact (detailed in the *Environment* section).
- **Value chain and worker protections:** Mandating that partners respect human rights, adhere to labour standards, and maintain employee health and safety (detailed in the *Social* section).

During 2025, there were no convictions or fines for anti-corruption and anti-bribery laws, and no severe human rights incidents involving Yubico's own workforce or workers in the value chain. Furthermore, Yubico is not excluded from the EU Paris-aligned benchmarks.





“YubiKeys significantly reduce the risk of account compromise,” says Jordan Pleiter, IT Officer at Civil Rights Defenders. “If a user falls for a phishing attempt, attackers are far less likely to get in”

Jordan Pleiter, IT Officer at Civil Rights Defenders

Non-Governmental Organization
Case study Civil Rights Defenders

Civil Rights Defenders protects human rights work with YubiKeys

Civil Rights Defenders is an international non-profit organization working to protect human rights in some of the world’s most hostile and repressive environments. In 2024, the organization supported human rights defenders, civil society organizations, and movements in more than 34 countries. Many of those supported face severe physical threats, including detention, torture, or forced displacement — increasingly combined with sophisticated digital attacks.

As democratic freedoms decline globally, cyber threats against human rights defenders have intensified. Phishing attacks, often enhanced by artificial intelligence, pose a particular risk by targeting individuals directly and enabling account takeovers. A single compromised account could expose sensitive data, endanger partners and communities, and undermine entire movements.

“We live in a world where both physical and digital threats are very present,” says Ana Maria Mendoza, Programme Lead in the Security and Innovation

Department at Civil Rights Defenders. *“Providing security today must include strong digital protection.”*

To raise the security baseline, Civil Rights Defenders strengthened its authentication strategy by encouraging the use of YubiKeys. Legacy methods such as SMS were phased out due to their vulnerability, while YubiKeys were introduced to protect access to cloud services, administrative systems, and sensitive data.

YubiKeys were provided through Yubico’s Secure It Forward program, enabling Civil Rights Defenders to deploy high-assurance security at no cost and extend protection to partners and human rights defenders globally. The keys support passwordless access and function without internet or mobile connectivity, making them suitable for high-risk and mobile-restricted environments.

“YubiKeys significantly reduce the risk of account compromise,” says Jordan Pleiter, IT Officer at Civil Rights Defenders. “If a user falls for a phishing attempt, attackers are far less likely to get in.”

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in 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.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2025 on pages 30–47 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 1 April 2026
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

Corporate Governance

Yubico's corporate governance ensures clear accountability, responsible leadership, and transparent decision-making, safeguarding shareholder interests and supporting long-term value creation.

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 2025. 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 218,229,706. As of December 31, 2025, the number of issued shares were 87,291,882, whereof 86,426,882 were ordinary shares where each share carries one vote and 865,000 were C shares. The C shares do not entitle the holder to dividends and carry one-tenth (1/10) of a vote each. At the end of 2025, Yubico had 20,883 identified shareholders. Bure Equity was the largest shareholder with 17.2 percent of capital and votes at the end of the year. More information on Yubico’s share and shareholders can be found on page 60.

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.

2025 Annual General Meeting

The AGM was held in Stockholm on May 13, 2025 and made the following resolutions:

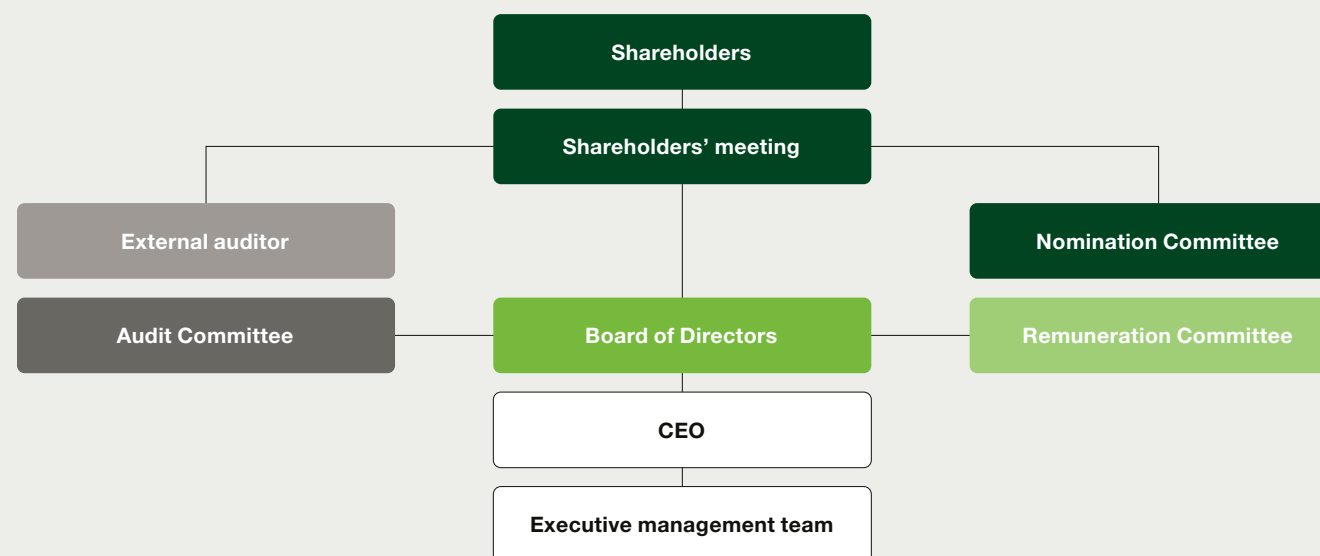
- Adoption of the balance sheet and the profit and loss accounts.
- Resolution to adopt the balance sheet and not distribute dividends for the year.
- Discharge from liability for the Board members and the CEO.
- Approval of the Board’s remuneration report.
- The number of Board members elected by the general meeting shall be seven with no deputy Board members.
- It was resolved that Board fees shall be paid with a total of SEK 5,088,000, to be distributed with SEK 1,075,000 to the Chairman and with SEK 575,000 to each of the other Board members. In addition, SEK 250,000 shall be allocated as remuneration to the Chair of the Audit Committee, SEK 120,000 to each of the other members of the Audit Committee, SEK 125,000 to the Chair of the

Remuneration Committee, and SEK 63,000 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 as invoices are approved.
- As Yubico’s Board of Directors, Patrik Tigerschiöld, Stina Ehrensvärd, Gösta Johannesson, Paul Madera, Eola Änggård Runsten, Ramanujam Shriram and Jaya Baloo were re-elected. 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. Patrik Adolfson was appointed as the new 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 LTI 2025.

Overall corporate governance structure



Corporate Governance Report

2026 Annual General Meeting

The Annual General Meeting will be held on May 5, 2026, 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 13 May 2025, 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 Euro-clear 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 55.

The Nomination Committee for the 2026 AGM consists of Carsten Browall, appointed by Bure Equity AB, Patricia Hedelius, appointed by AMF Tjänstepension och Fonder, Stina Ehrensvärd, representing herself and Thomas Ehlin, appointed by Fourth Swedish National Pension Fund.

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 procedure. 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 14 meetings in 2025. In addition to the standard agenda, focus has been the strategy going forward, and CEO transition.

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. During 2025, the Remuneration Committee 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 financial reporting is prepared in accordance with laws, other relevant regulations and applicable accounting standards. The committee shall ensure

Board of Directors 2025

Name	Elected	Independent in relation to		Meeting attendance			Fees, SEK ¹		
		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	1,075,000		125,000
Jaya Baloo	2024	Yes	Yes	9/9			575,000		
Stina Ehrensvärd	2007	No	No	9/9			575,000		
Gösta Johannesson	2017	Yes	No	9/9	5/5		575,000	125,000	
Paul Madera	2019	Yes	No	9/9		5/5	575,000		63,000
Ramanujam Shriram	2014	Yes	No	9/9			575,000		
Eola Änggård Runsten	2023	Yes	Yes	9/9	5/5		575,000	250,000	

1) The fees relate to the period May 2025 – May 2026.

Corporate Governance Report

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. During 2025, the Audit Committee 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 2025 the evaluation was conducted through self-assessment and concluded in the Board meeting in November 2025.

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 56.

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 2025.

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 13, 2025, 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 outmost 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 2026 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 13, 2025, resolved to implement a long-term incentive program for 2025 ("LTI 2025"). The program is based on performance stock units ("PSUs") and includes 486 senior executives, key individuals, and other employees within the Yubico Group. 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. See further information on under Note 6.

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.

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 handles all group companies in the same ERP system. Follow-up of earnings, balances and cashflow are made monthly against budget, forecast and last year periods. 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 irregular-

Corporate Governance Report

ities 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. An annual evaluation and update of internal controls 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
- Notice to the AGM
- Incentive schemes
- Interim report (Q1)
- Risks and risk management
- Succession Planning
- Market update

First quarter

- Year-end report (Q4)
- Proposal regarding allocation of profit/loss
- Resolution on bonus framework and targets for coming year

Statutory meeting

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



Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives 2025

These guidelines were adopted by the 2025 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 13, 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 Samhälle (SNS) and Silox Microsystems. Board member of IVA, Kungliga ingenjörsvetenskapsakademien.

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

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



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)¹: –

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



Stina Ehrensverd

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)¹: 9,384,739 shares and 26,167 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, PG Advice AB, Nodica Group AB and Floribus Invest AB. Senior adviser Bure Equity AB.

Shareholding in Yubico (own and closely related parties' holdings)¹: 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, BuildOps Inc., Filevine Inc., GuideCX Inc., Icertis Inc., and Kinetica DB Inc.

Shareholding in Yubico (own and closely related parties' holdings)¹: 1,948,827

Independent in relation to Yubico and its management, but not 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., Krikey Inc., Abacus.AI. Managing Director of Sherpalo Ventures. Trustee Dhanam Foundation, Stanford Health Care.

Shareholding in Yubico (own and closely related parties' holdings)¹: 3,245,068

Independent in relation to Yubico and its management, but not 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, DIB Services AB, ILT Group AB.

Shareholding in Yubico (own and closely related parties' holdings)¹: 2,000

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

1) Shareholding as of December 31, 2025.

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

Executive leadership team



Jerrod Chong

Acting CEO
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)¹: 267,912 shares and 74,333 PSUs under Yubico's share related program



Snejana Koleva

Chief Financial Officer
Employed since 2025
Born: 1979

Education and professional experience: MBA from Stockholm School of Economics, and M.Sc. in Finance from University of National and World Economy, Sofia, Bulgaria. 7 years of experience in Corporate finance in McKinsey, followed by many years of experience leading Strategy and Finance functions in consulting, mining equipment, and BPO.

Shareholding in the Company (own and closely related parties' holdings)¹: 25,000 PSUs



Albert Biketti

Chief Product and Technology Officer
Employed since 2025
Born: 1976

Education and professional experience: MBA, Harvard Business School. 26 years of experience in information technology across EMEA and North America, including 13 years in security leadership roles. Previous positions at Google Cloud, Splunk, Hewlett Packard Enterprise, and Hewlett Packard Inc.

Shareholding in the Company (own and closely related parties' holdings)¹: 25,000 PSUs



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)¹: 116,666 PSUs under Yubico's share related program



Henrik Lejdeborn

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)¹: 56,857 shares and 54,333 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)¹: 23,128 shares and 27,500 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)¹: 67,117 shares and 42,667 PSUs under Yubico's share related program

¹) Shareholding as of December 31, 2025.

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
Loss of key personnel (Strategic)	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.
Supplier dependencies (Strategic)	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.
Product variety (Strategic)	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.

Risks and risk management

Risk	Description of risk	Management of risk
Quality control and product vulnerability and distribution (Operational)	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.
Personal safety and physical harm (Operational)	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.
Patent infringement (Operational)	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.
Production disruption – warehouse and programming (Operational)	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.
Production disruption – suppliers (Operational)	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.
Payroll management (Operational)	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.
IT system (Operational)	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.

Risks and risk management

Risk	Description of risk	Management of risk
Regulatory changes (Regulatory)	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.
Regulations and compliance (Regulatory)	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.
Legal action and liability requirements (Regulatory)	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.
External financial and sustainability reporting (Regulatory)	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.
Financing and liquidity (Financial)	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. As of December 31, 2025, the number of issued shares were 87,291,882, whereof 86,426,882 were ordinary shares and 865,000 were C shares. Share capital amounts to SEK 218, 229,705. The shares are denominated in SEK, and each share has a quota value of SEK 2.50.

Voting rights

Each ordinary 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. The C shares do not entitle the holder to dividends and carry one-tenth (1/10) of a vote each.

Buyback program

On August 14, the Board of Directors resolved to utilize the mandate from the Annual General Meeting to repurchase the company's own shares up to SEK 200 million. During 2025, Yubico repurchased 654,728 of its own shares (corresponding to 0.75 percent of the total number of issued shares)

at an acquisition cost of SEK 88.3 million. The impact on earnings per share is negligible.

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 62 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 three 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 and LTI 2025, approved by the AGM on May 13 2025.

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 US 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 administered by the Stock Market Self-Regulation Committee (Sw. Aktiemarknadens självregleringskommitté) it should be specified and motivated why the vesting period or period from the commencement of the agreement until a share may be acquired is less than three years. 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 US 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 were awarded to 356 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

The Yubico share and owners

entire term of LTI 2023. If the annual TSR during a vesting period corresponds to an increase of less than nine percent, no PSUs subject to vesting during such vesting period will vest. If the annual TSR during a vesting period corresponds to an increase of 9 percent but is less than 15 percent, the PSUs subject to vesting during such vesting period will vest linearly between 20 percent and 100 percent (starting at 9 percent and ending at 15 percent). If the annual TSR over a vesting period equals or exceeds 15 percent of the volume-weighted average share price over a vesting period, 100 percent of the PSUs subject to vesting over such vesting period will vest. 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 0.5 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 were awarded to 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 0.3 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 2024.

LTI 2025

The LTI 2025 program runs until August 2028 and were awarded to 486 senior executives, key personnel and other employees within the Group. The maximum number of PSUs that could be granted amounted to 780,000. 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 2025, 2026 and 2027.

The maximum dilution due to LTI 2025 is 0.7 percent of the current total number of outstanding shares. Other than LTI 2023, LTI 2024 and LTI 2025, there are no outstanding share related incentive programs in Yubico. More information can be found under Note 6.

Proposal on appropriation of profit

The Board of Directors proposes that no dividend be paid for the financial year 2025.

Approval and adoption

The Annual Report and consolidated financial statements were approved for publication on April 8, 2026. 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 5, 2026.

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

Share premium reserve	822,955,764
Retained earnings	356,392,634
Profit for the year	69,917,723
Total	1,249,266,121

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

Carried forward to new account	1,249,266,121
Total	1,249,266,121

The Yubico share and owners

Ownership structure December 31, 2025¹

Holding by size	Number of shareholders	Number of shares
1 – 500	1,828,444	18,166
501 – 1,000	937,998	1,184
1,001 – 2,000	1,068,920	695
2,001 – 5,000	1,599,980	483
5,001 – 10,000	1,162,479	160
10,001 – 20,000	1,051,248	67
20,001 – 50,000	2,145,857	62
50,001 – 100,000	1,413,115	19
100,001 – 500,000	4,661,487	22
500,001 – 1,000,000	4,793,732	7
1,000,001 – 5,000,000	30,146,896	15
5,000,001 – 10,000,000	8,823,938	1
10,000,001 – 50,000,000	25,740,173	2
50,000,001 –	0	N/A
Unknown ownership size	1,917,615	N/A
Total	87,291,882	20,883

1) Monitor per December 31, 2025.

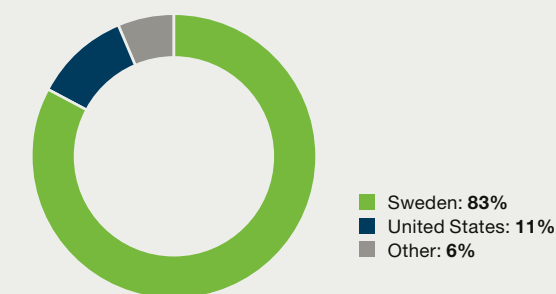
Data per share

	2025
No. of shares	87,291,882
Share price at December 31, SEK	76.00
Equity per share, SEK	19.02
Earnings per share after dilution, SEK	1.46

Largest shareholders December 31, 2025¹

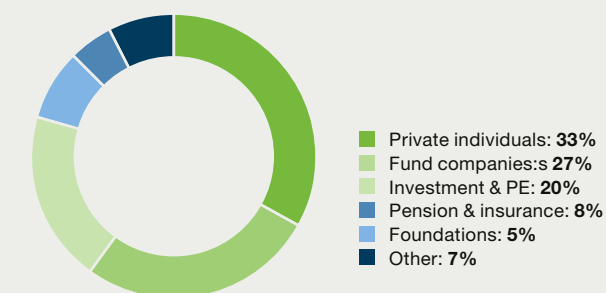
Shareholder	Number of shares	Holding, %
Bure Equity	15,041,943	17.2
AMF Pension & Funds	10,698,230	12.3
Stina Ehrensward, co-founder	8,823,938	10.1
Fourth National AP-fund	4,850,000	5.6
Ramanujam Shriram, Board Member, with family	3,245,068	3.7
Handelsbanken Funds	2,445,315	2.8
SEB Funds	2,389,534	2.7
Marc R. Benioff Revocable Trust	2,085,840	2.4
Meritech Capital Partners	1,948,827	2.3
Johan Hernmarck	1,728,353	1.9
The 10 largest shareholders	53,257,048	61.0
Other	34,034,834	39.0
Total	87,291,882	100.0

Ownership by country



Source: Monitor per December 31, 2025.

Ownership by type



Source: Monitor per December 31, 2025.

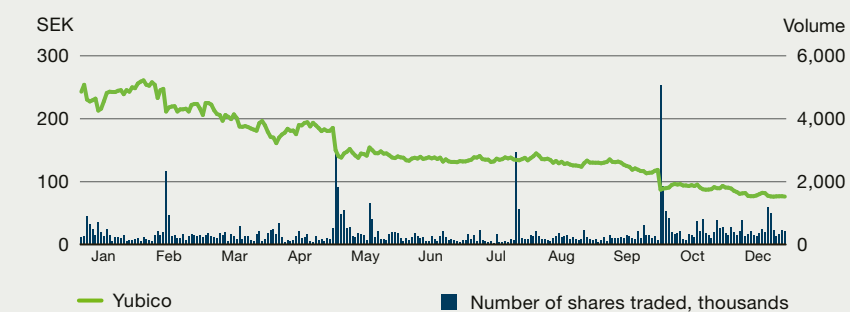
Share capital development

Date ²	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
2025-05-21	New Share issue	402,910	161,164	216,067,205	86,426,882	2.5
2025-05-23	New Share issue, C-shares	2,162,500	865,000	218,229,705	87,291,882	2.5

1) Monitor per December 31, 2025.

2) Refers to the dates the resolutions were registered with the Swedish Companies Registration Office (Sw. Bolagsverket).

Share price development 2025



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Consolidated Financial statements

Consolidated Income statement

SEKm	Note	2025	2024
Net sales	3	2,218.0	2,326.2
Cost of sales	5	-490.7	-428.7
Gross profit		1,727.3	1,897.5
Research and development	5, 6	-316.4	-336.1
Selling expenses	5, 6	-880.0	-836.0
Administrative expenses	5, 6	-346.0	-293.5
Other operating income	4	25.3	110.5
Other operating expenses	4	-10.4	-104.9
Operating profit (EBIT)	5, 6, 7	199.9	437.5
Financial income	8	21.1	28.4
Financial expenses	8	-54.1	-3.8
Net financial items		-32.9	24.6
Profit/loss before tax		166.9	462.1
Tax	9	-38.8	-90.4
Net profit/loss for the year		128.1	371.7
Earnings per share before dilution, SEK		1.49	4.32
Earnings per share after dilution, SEK		1.46	4.20
Average number of shares before dilution (mill)	21	86.2	86.1
Average number of shares after dilution (mill)	21	87.8	88.6

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.

Consolidated statement of comprehensive income

SEKm	2025	2024
Net profit/loss for the year	128.1	371.7
Other comprehensive income		
<i>Items to be reclassified to profit/loss, after tax</i>		
Translation differences at translating foreign entities	-35.8	18.2
Tax relating to translation differences	-	2.3
Total comprehensive income	92.3	392.2

Consolidated Balance sheet

SEKm	Note	2025-12-31	2024-12-31
Assets			
<i>Total non-current assets</i>			
Intangible assets	10	28.3	14.7
Property, plant and equipment	11	73.3	82.5
Financial assets		11.0	7.1
Deferred tax assets	9	92.7	85.1
Total non-current assets		205.4	189.4
<i>Current assets</i>			
Inventories	13	715.7	690.1
Accounts receivable	14	317.7	415.1
Current tax asset	9	25.9	10.7
Other current assets		12.5	22.1
Prepaid expenses and accrued income	15	42.2	57.4
Cash and cash equivalents	17, 19	895.0	824.1
Total current assets		2,009.1	2,019.6
Total assets		2,214.4	2,209.0

SEKm	Note	2025-12-31	2024-12-31
Equity			
Share capital		218.2	215.7
Translation reserve		-9.3	26.6
Other contributed capital		822.9	822.9
Retained earnings incl. net profit for the year		628.0	501.0
Total Equity		1,659.9	1,566.2
Liabilities			
<i>Non-current liabilities</i>			
Non-current lease liabilities	12, 17	23.0	36.5
Other non-current liabilities		4.8	6.9
Deferred tax liabilities	9	5.8	6.6
Total non-current liabilities		33.6	50.0
<i>Current liabilities</i>			
Current lease liabilities	12, 17	16.0	15.8
Advance payments from customers	3	56.6	34.1
Accounts payable		36.1	45.2
Current tax liability	9	4.1	45.3
Other current liabilities	17	39.9	47.1
Accrued expenses and deferred income	16	368.3	405.3
Total current liabilities		520.9	592.7
Total liabilities		554.6	642.7
Total equity and liabilities		2,214.4	2,209.0

Consolidated Cash flow statement

SEKm	Note	2025	2024
Operating activities	19		
Profit/loss before tax		166.9	462.1
Adjustments for non-cash items		150.3	66.8
Income tax paid		-108.0	-97.0
Cash flow from operating activities before working capital changes		209.2	431.8
<i>Changes in working capital</i>			
Change in inventories		-49.8	-175.6
Change in accounts receivables		41.7	-204.1
Change in other current receivables		17.1	25.3
Change in accounts payable		-7.6	-22.2
Change in other current liabilities		43.6	288.6
Total changes in working capital		45.1	-88.0
Cash flow from operating activities		254.3	343.8
Investing activities			
Acquisition of intangible assets		-20.5	-12.2
Acquisition of property, plant and equipment		-23.7	-47.1
Other items		-4.3	-0.7
Cash flow from investing activities		-48.4	-60.0

SEKm	Note	2025	2024
Financing activities			
New share issue		2.2	-
Borrowings		5.3	33.2
Repayment of loans and lease liabilities		-18.6	-55.0
Transaction costs		-0.5	-
Repurchase of own shares		-90.4	-
Cash flow from financing activities		-102.0	-21.8
Cash flow for the year		103.9	262.0
Cash and cash equivalents			
At the beginning of the year		824.1	547.3
Cash flow for the year		103.9	262.0
Exchange difference in cash and cash equivalents		-32.9	14.7
Cash and cash equivalents at the end of the year		895.0	824.1

Consolidated Statement of changes in equity

2025, SEKm	Share capital	Other contributed capital	Translation reserve	Retained earnings incl.net profit for the year	Total equity
Opening balance Jan 1, 2025	215.7	822.9	26.6	501.0	1,566.2
Net profit/loss for the year	-	-	-	128.1	128.1
Other comprehensive income					
Translation differences	-	-	-35.8	-	-35.8
Total comprehensive income	-	-	-35.8	128.1	92.3
Transactions with owners					
New share issue	2.6	-	-	-0.4	2.2
Transaction costs	-	-	-	-0.5	-0.5
Repurchase of own shares	-	-	-	-90.4	-90.4
Employee stock options – value of employees’ services	-	-	-	90.2	90.2
Total transactions with owners	2.6	-	-	-1.1	1.5
Closing balance Dec 31, 2025	218.2	822.9	-9.3	628.0	1,659.9

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

As of December 31, 2025, the number of issued shares were 87,291,882, whereof 86,426,882 were ordinary shares and 865,000 were C shares. During the year, Yubico repurchased 654,728 of its own shares at an acquisition cost of SEK 88.3 million.

Financial statements Parent Company

Parent Company Income statement

SEKm	Note	2025	2024
Net sales	3	1,057.1	1,183.4
Cost of sales	5	-327.9	-292.7
Gross profit		729.2	890.8
Research and development	5, 6	-211.0	-188.8
Selling expenses	5, 6	-223.0	-204.7
Administrative expenses	5, 6	-189.4	-162.3
Other operating income	4	23.3	108.5
Other operating expenses	4	-10.0	-103.4
Operating profit (EBIT)	5, 6, 7	119.3	340.0
Financial income	8	21.1	48.9
Financial expenses	8	-52.0	-2.0
Net financial items		-30.9	46.9
Profit/loss before tax		88.4	386.8
Tax	9	-18.5	-74.4
Net profit/loss for the year		69.9	312.4

Parent Company statement of comprehensive income

SEKm	2025	2024
Net profit/loss for the year	69.9	312.4
Other comprehensive income	-	-
Total comprehensive income	69.9	312.4

Parent Company Balance sheet

SEKm	Note	2025-12-31	2024-12-31
Assets			
<i>Total non-current assets</i>			
Intangible assets	10	2.7	4.9
Property, plant and equipment	11	28.9	25.6
Participation in Group companies	20	103.7	37.6
Financial assets		6.0	4.8
Deferred tax assets	9	54.7	50.4
Total non-current assets		196.1	123.3
<i>Current assets</i>			
Inventories	13	608.1	541.6
Accounts receivable	14	112.0	76.1
Receivables from Group companies		31.1	32.0
Current tax asset	9	23.0	-
Other current assets		3.5	14.0
Prepaid expenses and accrued income	15	14.7	17.8
Cash and cash equivalents	17,19	689.6	746.9
Total current assets		1,482.1	1,428.5
Total assets		1,678.2	1,551.7

SEKm	Note	2025-12-31	2024-12-31
Equity			
<i>Restricted equity</i>			
Share capital		218.3	215.7
<i>Non-restricted equity</i>			
Free share premium reserve		822.9	823.0
Retained earnings		356.4	45.2
Net profit for the year		69.9	312.4
Total Equity		1,467.5	1,396.2
Liabilities			
<i>Non-current liabilities</i>			
Other non current liabilities	17	3.6	5.8
Total non-current liabilities		3.6	5.8
<i>Current liabilities</i>			
Advance payments from customers	3	0.2	0.2
Accounts payable		29.9	35.4
Liabilities to Group companies		107.8	3.9
Current tax liability	9	-	41.6
Other current liabilities	17	17.0	20.5
Accrued expenses and deferred income	16	52.2	48.2
Total current liabilities		207.1	149.8
Total liabilities		210.7	155.5
Total equity and liabilities		1,678.2	1,551.7

Parent Company Cash flow statement

SEKm	Note	2025	2024
Operating activities	19		
Profit/loss before tax		88.4	386.8
Adjustments for non-cash items		68.3	-3.1
Income tax paid		-87.4	-46.3
Cash flow from operating activities before working capital changes		69.3	337.4
<i>Changes in working capital</i>			
Change in inventories		-66.5	-183.6
Change in other current receivables		-21.4	177.3
Change in other current liabilities		100.5	-20.4
Total changes in working capital		12.6	-26.7
Cash flow from operating activities		81.9	310.7
Investing activities			
Acquisition of intangible assets		-0.1	-0.3
Acquisition of property, plant and equipment		-11.3	-13.0
Other items		-1.3	-
Cash flow from investing activities		-12.7	-13.2

SEKm	Note	2025	2024
Financing activities			
New share issue		2.2	-
Repayment of loans		-	-39.0
Transaction costs		-0.5	-
Repurchase of own shares		-90.4	-
Cash flow from financing activities		-88.8	-39.0
Cash flow for the year		-19.5	258.4
Cash and cash equivalents			
At the beginning of the year		746.9	476.6
Cash flow for the year		-19.5	258.4
Exchange difference in cash and cash equivalents		-37.7	11.8
Cash and cash equivalents at the end of the year		689.6	746.9

Parent Company Consolidated statement of changes in equity

2025, SEKm	Restricted equity	Non-restricted equity		Total equity
	Share capital	Other contributed capital	Retained earnings incl.net profit for the year	
Opening balance Jan 1, 2025	215.7	822.9	357.5	1,396.2
Net profit/loss for the year	-	-	69.9	69.9
Total comprehensive income	-	-	69.9	69.9
Transactions with owners				
New share issue	2.6	-	-0.4	2.2
Transaction costs	-	-	-0.5	-0.5
Repurchase of own shares	-	-	-90.4	-90.4
Employee stock options – value of employees' services	-	-	90.1	90.1
Total transactions with owners	2.6	-	-1.2	1.4
Closing balance Dec 31, 2025	218.3	822.9	426.3	1,467.5

Number of shares at the beginning of the period	86,265,718
New share issue	1,026,164
Number of shares at the end of the period	87,291,882
Quota value, SEK	2.50

Of the total number of shares at the end of the period, 86,426,882 are common shares and 865,000 are C shares. The C shares do not entitle the holder to dividends and carry one-tenth (1/10) of a vote each, in accordance with Yubico's articles of association.

2024, SEKm	Restricted equity	Non-restricted equity		Total equity
	Share capital	Other contributed capital	Retained earnings incl.net profit for the year	
Opening balance Jan 1, 2024	215.3	822.9	-5.7	1,032.6
Net profit/loss for the year	-	-	312.4	312.4
Total comprehensive income	-	-	312.4	312.4
Transactions with owners				
New share issue	0.4	-	-0.4	-
Employee stock options – value of employees' services	-	-	51.2	51.2
Total transactions with owners	0.4	-	50.8	51.2
Closing balance Dec 31, 2024	215.7	822.9	357.5	1,396.2

Notes

Amounts in SEKm unless otherwise stated

Note 1 Basis for preparation of the financial statements

General information

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 and the annual report for Yubico AB for the financial year 2025 were approved by the Board of Directors and the Chief Executive Officer (CEO) on April 1, 2026.

Basis for preparation of the financial statements

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.

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.

New and amended standards and interpretations

No significant new IFRS standards, amendments, or interpretations applicable to the Group became effective during the period.

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.

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 for up to 80 hours during the first year and 20 hours in subsequent years. The service must be used within twelve months from the subscription start date during the first period, or within twelve months from the beginning of each annual period for the following years. 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.

Note 2 Accounting policies, cont.**Employee benefits****Defined contribution pension plans**

The Group's employees are entitled to pension benefits from defined contribution pension plans. The Group's obligations in respect of contributions to defined contribution plans are recognized as an expense in the income statement as they are earned 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 long-term incentive programs based on performance share units (PSUs) for senior executives, key employees and other employees in the Group.

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.

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.

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

Note 2 Accounting policies, cont.

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.

Repurchase of shares

Expenditure for the purchase of own shares reduces retained earnings in equity in the Parent company and the portion of consolidated equity that pertains to owners of the Parent company. If these shares are sold, the sales proceeds are included in retained earnings in the equity pertaining to owners of the Parent company.

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	
	2025	2024	2025	2024
Sweden	20.2	20.6	20.2	20.5
Rest of Europe, Middle East and Africa	510.9	569.7	462.4	521.2
Americas	1,502.4	1,577.0	392.5	485.2
Asia Pacific	184.4	158.9	182.1	156.5
	2,218.0	2,326.2	1,057.1	1,183.4

Net sales by country	Group		Parent Company	
	2025	2024	2025	2024
USA	1,386.7	1,403.6	356.3	485.1
Germany	92.5	187.5	16.0	141.1
Other	738.8	735.1	684.9	557.2
	2,218.0	2,326.2	1,057.1	1,183.4

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

Net sales by business model	Group		Parent Company	
	2025	2024	2025	2024
Perpetual	1,878.4	2,064.3	1,053.2	1,179.6
Subscription	339.6	261.9	3.9	3.8
	2,218.0	2,326.2	1,057.1	1,183.4

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 2025 or 2024.

Note 3 Net sales, cont.**Remaining performance obligations**

Remaining performance obligation over the remaining contract period	Group		Parent Company	
	2025	2024	2025	2024
1-2 years	213.9	269.5	3.7	1.6
2-3 years	147.6	195.3	0.8	1.0
3-5 years	92.6	153.8	0.2	0.2
Total remaining performance obligation	454.0	618.6	4.8	2.8

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	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Advance payments from customers	56.6	33.8	0.2	-
Deferred income	238.0	274.3	11.5	5.0
Total	294.6	308.2	11.7	5.0

Of the SEK 274.3 million recognized as a contract liability as of December 31, 2024, SEK 215.5 million has been recognized as revenue in 2025 for the Group.

Of the SEK 5.0 million recognized as a contract liability as of December 31, 2024, SEK 3.9 million has been recognized as revenue in 2025 for the parent company.

Trade receivables are shown in note 14.

Property, plant and equipment	Group		Parent Company	
	2025	2024	2025	2024
Sweden	54.2	57.3	28.9	25.6
USA	11.8	25.2	-	-
Other	7.3	0.0	-	-
	73.3	82.5	28.9	25.6

Note 4 Other operating income and other operating expenses

Other operating income	Group		Parent Company	
	2025	2024	2025	2024
Exchange rate gains	23.4	108.5	23.1	108.4
Other operating income	2.0	2.0	0.2	0.1
	25.3	110.5	23.3	108.5

Other operating expenses	Group		Parent Company	
	2025	2024	2025	2024
Exchange rate losses	-10.4	-104.8	-9.9	-103.2
Other operating expenses	-0.1	-0.1	-0.1	-0.1
	-10.4	-104.9	-10.0	-103.4

Note 5 Operating expenses by type of cost

	Group		Parent company	
	2025	2024	2025	2024
Material costs	362.0	312.8	289.0	258.3
Other external costs	377.9	364.3	367.6	330.8
Personnel costs	1,258.6	1,181.2	284.4	250.6
Depreciation/amortization and impairment of assets	34.5	35.9	10.2	8.8
	2,033.0	1,894.3	951.2	848.6

Note 6 Employees, personnel costs and remuneration of senior executives

	Group		Parent Company	
	2025	2024	2025	2024
Employee benefits expenses				
<i>Salaries and remuneration</i>				
Board and executive management	41.4	31.4	17.1	15.2
Other employees	940.0	932.8	173.6	149.4
Total salaries and remuneration	981.3	964.2	190.8	164.6
Social security expenses	97.8	90.6	47.4	42.7
Pension expenses	36.6	34.8	17.1	15.4
Total expenses	1,115.8	1,089.6	255.2	222.8

	2025			2024		
	Board fees	Committee fees	Total	Board fees	Committee fees	Total
Remuneration to the Board						
Patrik Tigerschiöld, Chairman of the Board	1.0	0.1	1.1	0.7	0.1	0.8
Stina Ehrensverd	0.5	-	0.5	-	-	-
Gösta Johannesson	0.5	0.1	0.6	0.4	0.1	0.4
Paul Madera	0.5	0.1	0.6	0.4	0.0	0.4
Eola Änggård Runsten, Chariman of the Audit Committee	0.5	0.2	0.8	0.4	0.2	0.5
Ramanujam Shriram	0.5	-	0.5	0.4	-	0.4
Jaya Baloo	0.5	-	0.5	0.3	-	0.3
Total remuneration to the Board	4.2	0.5	4.7	2.5	0.3	2.9

	2025				
	Base Salary	Variable pay	Pension expenses	Other	Total
Remuneration to executive management					
Mattias Danielsson, CEO	5.3	0.5	0.6	2.5	8.9
Jerrod Chong, acting CEO	0.2	0.0	-	-	0.2
Other executive management (6 persons)	22.2	6.0	1.6	-	29.8
Total remuneration	27.7	6.5	2.2	2.5	38.9

Mattias Danielsson served as CEO of Yubico until 17 December 2025, and Jerrod Chong assumed the role of Acting CEO as of 18 December 2025. The compensation costs for Jerrod Chong cover the period from 18 December 2025 to 31 December 2025 (costs for the remainder of the year are included in "Other executive management").

	2024				
	Base Salary	Variable pay	Pension expenses	Other	Total
Mattias Danielsson, CEO	5.1	1.2	0.5	-	6.9
Other executive management (5 persons)	15.8	6.5	1.3	-	23.5
Total remuneration	20.9	7.7	1.8	-	30.4

	2025		2024	
Average number of employees	2025	of which women %	2024	of which women %
<i>Parent Company</i>				
Sweden	151	35%	136	32%
Total in Parent Company	151	35%	136	32%
USA	319	32%	287	30%
United Kingdom	10	37%	9	28%
Germany	15	0%	13	0%
Canada	9	29%	8	31%
Australia	2	0%	3	20%
Singapore	5	30%	-	-
Total in subsidiaries	359	30%	320	29%
Total in Group	509	32%	456	30%

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, %			
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Board of Directors	43%	33%	43%	33%
Other senior executives	31%	31%	31%	31%

Share based programs**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 due to PSU 2023 is 0.5 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 due to PSU 2024 is 0.3 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.

Performance stock units, (PSUs), 2025

The general meeting on 13 May 2025 resolved to implement a long-term incentive program for 2025, based on performance stock units ("PSUs"). The maximum number of PSUs that could be granted amounted to 780,000. 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 due to PSU 2025 is 0.7 percent of the current total number of outstanding shares. During 2025, 739,467 PSUs were awarded to 486 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 60–61.

Change in number of Performance Stock Units, PSUs

Performance Stock Units, PSU	PSU 2025	PSU 2024	PSU 2023
Outstanding at the beginning of the year	-	665,400	431,207
Awarded during the year	739,467	-	-
Vested during the year	-	-217,430	-
Forfeited during the year	-10,350	-37,163	-27,771
Outstanding at year-end	729,117	410,807	403,436
<i>Performance Stock Units, PSU</i>			
Number	729,117	410,807	403,436
Expected dividend	No	No	No
Fair value on allotment day, SEK ¹	140.6	238.5	38.5
Payment method	Shares	Shares	Shares

¹) Grant has taken place on three occasions during 2024 and three occasions during 2025. 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 PSU 2025 and PSU 2024, the instruments have been measured based on the fair market value of the underlying ordinary shares at the date of grant. For PSU 2023, the valuation has been based on the Monte Carlo valuation model.

Amounts recognized in the income statement and balance sheet	2025	2024
Reported cost for share-related compensation, incl. social security contributions	-87.5	-59.3
Liability for social security contributions related to share-based compensation	10.4	8.1

Note 7 Auditors' fees and remuneration

	Group		Parent Company	
	2025	2024	2025	2024
<i>Öhrlings PricewaterhouseCoopers AB</i>				
Auditing assignments	1.9	1.8	1.9	1.8
Tax consulting	1.5	2.5	1.5	2.5
Other assignments	-	0.5	-	0.5
<i>Other</i>				
Auditing assignments	0.1	0.1	-	0.1

Note 8 Net financial income/expense

	Group		Parent Company	
	2025	2024	2025	2024
Interest income, Group companies	-	-	-	10.4
Interest income, other	21.1	22.6	20.4	22.5
Exchange rate gains of a financial nature	0.1	5.8	0.6	16.0
Interest income	21.1	28.4	21.1	48.9
Interest costs on financial liabilities valued at amortized cost	-0.2	-2.0	-0.1	-2.0
Interest costs on lease liabilities	-2.1	-1.8	-	-
Exchange rate losses of a financial nature	-51.8	0.0	-51.8	-
Interest expenses	-54.1	-3.8	-52.0	-2.0
Financial net	-32.9	24.6	-30.9	46.9

Note 9 Tax

	Group		Parent Company	
	2025	2024	2025	2024
Reported in the income statement				
<i>Current tax</i>				
The year's expense	-50.4	-114.9	-22.9	-83.1
Tax attributable to previous years	0.1	5.9	0.1	5.9
	-50.4	-109.0	-22.8	-77.3
<i>Deferred tax</i>				
Deferred tax on temporary differences	11.5	18.6	4.3	2.9
	11.5	18.6	4.3	2.9
Total reported tax	-38.8	-90.4	-18.5	-74.4

	Group		Parent Company	
	2025	2024	2025	2024
Reconciliation of effective tax				
<i>Profit before tax</i>	166.9	462.1	88.4	386.8
Tax according to tax rate in the Parent Company 20.6% (20.6)	-34.4	-95.2	-18.2	-79.7
Effect of different tax rates in foreign subsidiaries	-9.0	-10.4	-	-
Non-taxable items	1.8	0.6	0.1	0.0
Non-deductible items	-3.3	-0.8	-0.6	0.0
Deductible expenses not booked in profit or loss	5.9	9.7	0.2	-0.7
Tax attributable to previous years	0.1	5.9	0.1	5.9
Other items	0.1	-0.3	-	-
Reconciliation of effective tax	-38.8	-90.4	-18.5	-74.4

	Group		Parent Company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Deferred tax assets/liabilities				
<i>Deferred tax asset</i>				
Loss carryforwards	47.6	47.6	47.6	47.6
Temporary differences	45.1	37.5	7.2	2.9
Deferred tax asset	92.7	85.1	54.7	50.4
<i>Deferred tax liability</i>				
Temporary differences fixed assets	3.8	3.0	-	-
Other temporary differences	2.0	3.6	-	-
Deferred tax liability	5.8	6.6	-	-

Note 9 Tax, cont.

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

The tax losses carried forward relate to merger-restricted tax losses that will be available for use after the financial year 2027, no expiry period applies. The company has made an assumption that the loss carryforwards can likely be utilized in their entirety against future taxable profits.

Note 10 Intangible assets

Group	Contract assets		Capitalized development costs		Other intangible assets	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31	2025-12-31	2024-12-31
<i>Accumulated cost</i>						
Opening balance as of January 1	12.0	-	-	-	19.1	18.8
Investments during the year	7.4	12.0	12.9	-	0.1	0.3
Closing accumulated cost as of 31 December	19.4	12.0	12.9	-	19.2	19.1
<i>Accumulated depreciation</i>						
Opening balance as of January 1	-2.1	-	-	-	-14.2	-11.6
Depreciations for the year	-4.6	-2.1	-	-	-2.3	-2.5
Closing accumulated amortization as of 31 December	-6.7	-2.1	-	-	-16.5	-14.2
Net carrying amount at year-end	12.7	9.9	12.9	-	2.7	4.9

Parent Company	Other intangible assets	
	2025-12-31	2024-12-31
<i>Accumulated cost</i>		
Opening balance as of January 1	19.1	18.8
Investments during the year	0.1	0.3
Closing accumulated cost as of 31 December	19.2	19.1
<i>Accumulated depreciation</i>		
Opening balance as of January 1	-14.2	-11.6
Depreciations for the year	-2.3	-2.5
Closing accumulated amortization as of 31 December	-16.5	-14.2
Net carrying amount at year-end	2.7	4.9

The capitalized development costs are R&D resources work on two projects, one on outbound automation, making Yubico's outbound shipments more efficient, and one on the next generation platform of Yubikeys.

Depreciation for the year is included in administrative expenses in the Income Statement in 2025 and 2024.

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

Group	Equipment, tools and installations		Right of use assets	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
<i>Accumulated cost</i>				
Opening balance as of January 1	83.2	68.5	94.5	69.5
Investments during the year	17.8	14.4	5.3	33.2
Divestments and disposals	-4.0	-2.3	-1.8	-13.5
Reclassifications	-	-0.2	-	-
Exchange rate differences for the year	-5.8	2.9	-10.1	5.3
Closing accumulated cost as of 31 December	91.2	83.2	87.9	94.5
<i>Accumulated depreciation</i>				
Opening balance as of January 1	-51.2	-38.8	-44.0	-36.1
Reversal of depreciation on divestments and disposals	3.1	2.2	1.8	13.5
Depreciations for the year	-11.7	-12.5	-15.9	-18.8
Exchange rate differences for the year	4.7	-2.1	7.4	-2.6
Closing accumulated amortization as of 31 December	-55.1	-51.2	-50.7	-44.0
Net carrying amount at year-end	36.2	32.0	37.2	50.5

Parent Company	Equipment, tools and installations	
	2025-12-31	2024-12-31
<i>Accumulated cost</i>		
Opening balance as of January 1	49.2	39.2
Investments during the year	12.3	12.3
Divestments and disposals	-4.0	-2.3
Closing accumulated cost as of 31 December	57.6	49.2
<i>Accumulated depreciation</i>		
Opening balance as of January 1	-23.6	-19.5
Reversal of depreciation on divestments and disposals	3.0	2.1
Depreciations for the year	-8.0	-6.3
Closing accumulated amortization as of 31 December	-28.7	-23.6
Net carrying amount at year-end	28.9	25.6

Note 12 Leasing

The Group's right-of-use assets come from leased office space in Stockholm, California and Seattle and Singapore. The lease terms vary between 1–5 years.

	Group	
	2025-12-31	2024-12-31
Lease assets		
Right of use assets	37.2	50.5
Total leasing assets	37.2	50.5
Lease liabilities		
Current liabilities	16.0	15.8
Non-current liabilities	23.0	36.5
Total leasing liabilities	35.0	52.2

Amounts reported in the result	Group	
	2025	2024
Depreciation on right of use assets	15.9	18.8
Interest expense on lease liabilities	2.1	1.8
Costs for short-term leasing and variable leasing fees that are not included in the valuation of the leasing liability	1.0	1.0

The total cash flow related to leases was SEK 21.6m (20.5).

	Parent Company	
	2025	2024
Expensed lease charges for the year	8.8	7.6
of which, variable fees	0.7	0.9
Future payments under lease contracts (nominal)		
Within one year	7.6	7.0
Between one and five years	30.4	30.4
Total	38.0	37.4

Note 13 Inventories

The composition of inventories is shown in the table below

	Group		Parent Company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Raw materials and consumables	205.3	233.1	204.9	232.2
Work in progress	414.7	333.9	375.3	270.8
Finished goods and goods for resale	95.6	123.2	27.9	38.6
	715.7	690.1	608.1	541.6

Write-down of inventories amounted to SEK 28.0m (31.6) in the Group and SEK 15.6m (25.2) in the Parent Company.

Note 14 Accounts receivable

Accounts receivables	Group		Parent Company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accounts receivables, gross	343.6	424.4	114.1	76.1
Provision for expected credit losses	-25.9	-9.2	-2.1	-
Accounts receivables, net after expected credit losses	317.7	415.1	112.0	76.1

Provision for expected credit losses	Group		Parent Company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Provision for expected credit losses, opening balance	-9.2	-4.4	-	-
Provision for expected credit losses during the year	-16.7	-4.8	-2.1	-
Closing balance, carrying amount	-25.9	-9.2	-2.1	-

The provision for expected credit losses relates to receivables overdue by more than 60 days amounting to SEK 4.4m (0), more than 90 days amounting to SEK 21.0m (8.4), as well as expected future credit losses of SEK 0.5m (0.9).

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	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Prepaid rents	2.6	1.9	2.2	1.7
Prepaid production costs	0.9	7.2	0.8	7.2
Prepaid license and cloud costs	17.3	26.3	5.8	5.3
Prepaid insurance premiums	3.2	3.0	2.1	2.1
Prepaid marketing and event costs	8.5	8.8	1.5	0.7
Prepaid legal costs	0.4	0.1	0.4	0.1
Accrued interest income	1.2	0.0	1.2	0.4
Other prepaid expenses	8.1	10.1	0.6	0.2
	42.2	57.4	14.7	17.8

Note 16 Accrued expenses and deferred income

	Group		Parent Company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued salaries	22.9	1.2	2.5	0.0
Accrued vacation pay	40.8	38.5	11.0	9.7
Social security contributions on vacation pay liability and salaries	12.0	8.6	8.4	4.7
Accrued commissions	32.1	52.4	5.5	8.0
Other accrued expenses	22.4	30.0	13.3	20.7
Deferred income	238.0	274.6	11.5	5.0
	368.3	405.3	52.2	48.2

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	2025-12-31	2024-12-31
US dollar	+ 120.5	+ 321.9
Euro	+ 176.2	+ 100.4

Earnings effects of, e.g., effects on operating profit amounts to SEK -38.7m (9.5).

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	2025-12-31	2024-12-31
US dollar	221.9	167.1
Euro	14.8	13.2
Canadian dollar	12.6	4.0
Brittish pound	6.7	6.3
Australian dollar	1.5	1.3
Singaporean dollar	0.4	-

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	2025	2024
US dollar	114.3	78.0
Euro	3.3	5.1
Canadian dollar	10.9	3.3
Brittish pound	1.5	1.9
Australian dollar	0.5	0.5
Singaporean dollar	0.4	-

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.

Sensitivity analysis of currency risk	2025 Effect on income statement	2025-12-31 Effect on equity	2024 Effect on income statement	2024-12-31 Effect on equity
<i>Transaction exposure</i>				
US dollar (+/- 10%)	12.1		32.2	
Euro (+/- 10%)	17.6		10.0	
<i>Translation exposure</i>				
US dollar (USD) (+/-10%)		22.2		16.7
Euro (EUR) (+/-10%)		1.5		1.3
Canadian dollar (CAD) (+/-10%)		1.3		0.4
Brittish pound (GBP) (+/-10%)		0.7		0.6
Australian dollar (AUD) (+/-10%)		0.1		0.1
Singaporean dollar (SGD) (+/-10%)		0.0		-

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.

31 December 2025	Group				
	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Lease liabilities	4.1	11.9	7.6	15.0	38.6
Accounts payable	36.1	-	-	-	36.1
Other liabilities	93.4	27.5	1.7	-	122.7
Total	133.6	39.4	9.3	15.0	197.4

31 December 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
Total	163.9	36.1	23.3	19.9	243.1

31 December 2025	Parent Company				
	Within 3 months	3-12 months	1-2 years	3-5 years	Total
Accounts payable	29.9	-	-	-	29.9
Other liabilities	21.1	12.0	-	-	33.1
Total	51.0	12.0	-	-	63.0

31 December 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
Total	82.0	8.3	3.8	-	94.1

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, 2025.

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	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accounts receivable	317.7	415.1	112.0	76.1
Other current receivables	12.5	22.1	3.5	14.0
Non current receivables	11.0	7.1	6.0	4.8
Cash and bank	895.0	824.1	689.6	746.9
Maximum credit risk exposure	1,236.2	1,268.5	811.2	841.8

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	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Not due	238.3	331.7	98.7	62.0
Overdue <30 days	37.4	41.5	-0.7	12.1
Overdue 30-60 days	31.3	8.1	12.1	0.1
Overdue 60-90 days	5.9	11.8	-	-
overdue >90 days	4.8	22.0	1.8	1.9
Total	317.7	415.1	112.0	76.1

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 895.0m (824.1) at December 31, 2025. 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 US). 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 interest-bearing liabilities are paid off. The net cash position as of December 31, 2025 is SEK 856.0m (771.9).

Note 18 Collateral pledged

Pledged assets and contingent liabilities	Group		Parent Company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
<i>Other liabilities to credit institutions</i>				
Bank guarantee	4.3	2.7	4.3	2.7
	4.3	2.7	4.3	2.7

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	
	2025	2024	2025	2024
Depreciation and amortization	34.5	35.9	10.2	8.8
Unrealized exchange rate differences	22.0	-11.6	37.7	-11.9
Share-based payment costs	90.1	51.2	20.3	-
Other items not affecting cash flow	3.6	-8.8	-	-
	150.3	66.8	68.3	-3.1

Interest received and paid	Group		Parent Company	
	2025	2024	2025	2024
Interest received	19.8	22.6	19.2	22.5
Interest paid, inclusive interest on lease liability	-2.3	-4.0	-0.1	-2.3

2025-12-31	Lease liabilities	
	Group	Parent Company
Opening balance carrying amount	52.2	-
Cash Flow	-13.2	-
Closing balance, carrying amount	39.0	-

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

Cash and cash equivalents consist of bank balances.

Note 20 Participation in Group companies

Accumulated cost	2025	2024
At the beginning of the year	37.6	0.3
Share based payments	66.1	37.3
Net carrying amount at year-end	103.7	37.6

Subsidiaries/Corporate identity number / Registered office	Number of shares	Shares, %	Net carrying amount SEKk	
			2025-12-31	2024-12-31
Yubico Inc/ 333070-9324 / Delaware	10,003,000	100	95,782	35,218
Yubico Ltd / 7007100 / Surrey	1,000	100	1,448	532
Yubico GmbH / HRB 11426 / Laer	2,500	100	3,756	1,119
Yubico Canada Ltd / 1000178316 / Toronto	100	100	2,067	527
Yubico Pty Ltd / ACN623392576 / Melbourne	100	100	642	216
Yubico Singapore Pte Ltd / 202528472D / Singapore	1	100	0	-
			103,695	37,612

Note 21 Reconciliation of weighted average number of shares

	Number of shares	
	2025	2024
Weighted average number of shares when calculating earnings per share before dilution	86,215,098	86,128,938
<i>Adjustments for calculation of earnings per share after dilution:</i>		
Performance stock units, PSUs	934,363	650,452
Options	637,427	1,782,882
Weighted average number of shares and potential shares used as denominator when calculating earnings per share after dilution	87,786,887	88,562,272

As of 31 December 2025, there were none options and performance stock units that were out of the money (0).

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 0.7 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.

On August 14, the Board of Directors resolved to utilize the mandate from the Annual General Meeting to repurchase the company's own shares up to SEK 200 million. During 2025, Yubico repurchased 654,728 of its own shares (corresponding to 0.75 percent of the total number of issued shares) at an acquisition cost of SEK 88.3m. The impact on earnings per share is negligible.

Note 22 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.

During 2025, Yubico purchased services from a company partly owned by a related party of a board member. The company provided financial training in business accounting, financial analysis, and investment appraisal to Yubico's senior executives. These services totaled SEK 40k for the year.

On Dec 16, 2025, Yubico Inc. entered into an agreement with a senior executive in the US. The agreement entails that Yubico has loaned SEK 2,071k to the senior executive. The loan was granted on market terms, with interest accruing on the debt. The loan is to be repaid on each of the Company's regular payroll dates, with the entire balance due in full no later than four years after the agreement's effective date or at termination of employment.

Note 23 Events after the reporting period

On March 26, 2026 Yubico announced preliminary financial estimates for the first quarter 2026 due to financial information inadvertently being disclosed. Order bookings during the first quarter 2026 is expected to be in the range of MSEK 400 and 450, whereas EBIT is expected to be in the range of MSEK 10 and 25. During the quarter, Yubico has initiated a cost saving program including employee reductions in the global workforce. The preliminary financial estimates have not been audited. Yubico's interim report for the first quarter 2026 will be announced on 5 May 2026. No other events have occurred after the balance sheet date that significantly affect the assessment of the financial information in this report.

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 1, 2026

Patrik Tigerschiöld
Chairman of the Board

Jaya Baloo

Stina Ehrensvärd

Gösta Johannesson

Paul Madera

Eola Änggård Runsten

Ramanujam Shriram

Jerrod Chong
Acting CEO

Our audit report was submitted on April 1, 2026.
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in charge

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 2025 with the exception of the corporate governance report and the sustainability report on pages 49–62 and 30–47, respectively. The company's annual report and consolidated financial statements are included on pages 4–5, 7–9, 21–29, 49–62, and 63–88 in this document.

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 2025 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 2025 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 2,218 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 716 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 1–3, 6, 10–20, 30–47 and 93–94 (“Other information”). The Board of Directors and the Managing Director are responsible for Other information.

The other information also includes the remuneration report for 2025, which we obtained before the date of this auditor’s report. The Board of Directors and the Managing Director are responsible for this 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 determines is 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. 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

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 2025 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. 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 2025.

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 49–62 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 13 May 2025 and has been the company's auditor since 19 April 2023.

Stockholm 1 April 2026
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfsson
Authorised Public Accountant
Auditor-in-charge

Key figures

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 profit	Net sales less cost of goods for resale.	Show the company's profitability from operations.
Gross margin	Gross profit as a percentage of net sales.	The measure is a complement to the gross profit, which only states the change in absolute figures (when different periods are compared). Gross margin is an indication of the Company's gross earnings capacity, over time.
Adjusted EBITDA	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.
EBITDA	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.
Adjusted EBITDA margin	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.
EBITDA margin	Operating profit/loss (EBIT) before depreciation, amortization, and impairments in relation to net sales.	The measure is a complement to the EBITDA, which only states the change in absolute figures (when different periods are compared). EBITDA margin is an indication of the profitability of operations in relation to net sales, over time.
Adjusted EBIT margin	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.
EBIT margin	Operating profit/loss (EBIT) in relation to net sales.	The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide understanding of the Group's financial performance both short and long term.
Net cash	Cash and cash equivalents less interest-bearing liabilities (liabilities to credit institutions).	Used to assess the company's ability to meet its financial obligations and level of debt.
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.

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 US 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 US government computer security standard used to approve cryptographic modules. It is published by the US National Institute of Standards and Technologies and is a security standard recognized by the US 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 US 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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