YUBICO

June 2026

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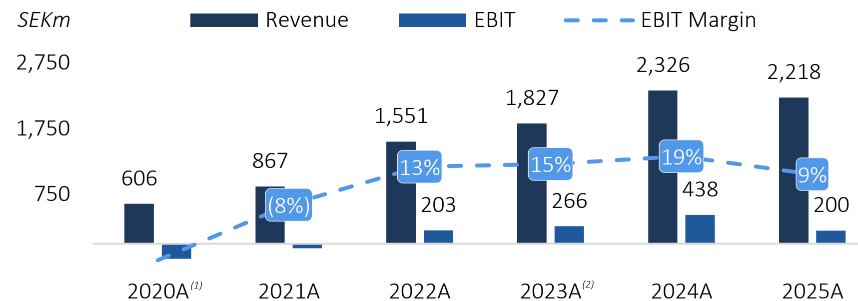
Yubico Overview

The Leading Provider of Hardware Security Keys Protecting the Digital World

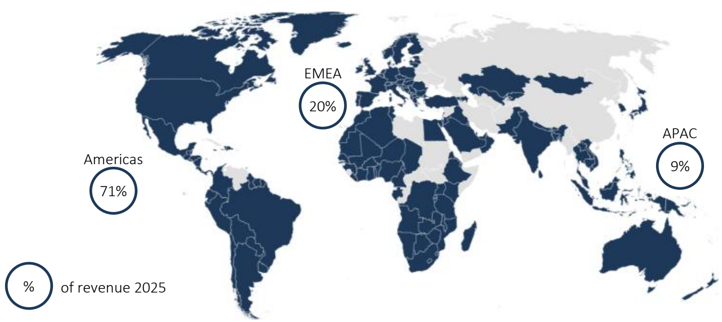
Company Description

- Founded in 2007, Yubico is a leading provider of hardware security keys, for secure access to computers, mobile devices, servers, and online accounts
- Two reinforcing revenue streams:
  - **Perpetual** – One-time hardware sales of YubiKeys to individuals, businesses, and governments directly and through a global reseller network
  - **Subscription** – Annual contracts through YubiEnterprise for fleet management, key replacement, and identity lifecycle services
- Listed on Nasdaq Stockholm with a MCAP of ~SEK 5.3bn – HQ in Stockholm

Financial Overview



Geographical Presence and Revenue Split [(3)]



Business Segments and Revenue Split

Perpetual

Revenue SEK 1,878m
85% of total

Subscription

Revenue SEK 340m
15% of total

Sources: Company public filings, Bloomberg
Notes: (1) EBIT in 2020 was SEK (230)m, (2) EBIT adjusted for SEK 87m of merger costs between ACQ and Yubico, (3) Locations available for delivery

Yubico Overview (cont.)

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Trusted by the World's Most Influential Technology Companies

Value Proposition

IT & Security Teams
A single hardware standard that eliminates phishing, cuts helpdesk load and scales across the entire stack

1. **99.9%** reduction of phishing and credential theft

Employees
One tap to authenticate – faster than a code, simpler than a password, works everywhere you already log in

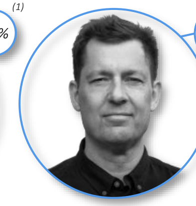
2. **4x** faster login compared to one-time passwords

Companies
A low-cost, high-certainty defense against the breach scenarios that make headlines and destroy trust

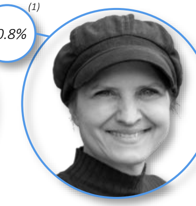
3. **USD 10.2m** average cost per data breach (U.S.)

Key People

Jerrod Chong – 0.3%[1]
CEO, with the group since 2013



Jakob Ehrensvärd – 10.8%[1]
Chief Innovation Officer & Co-Founder



Stina Ehrensvärd
Co-Founder

Patrik Tigerschiöld – 0.1%[1]
Chairman of the Board since 2023

Corporate Timeline

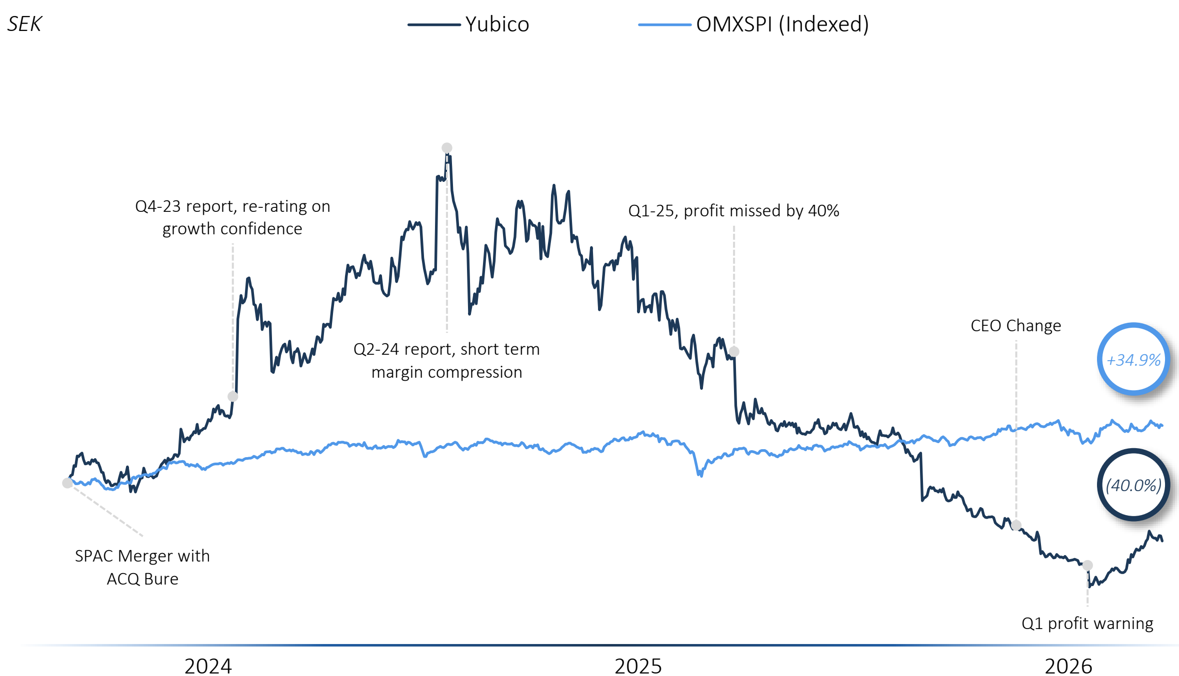
- **2007** – Yubico is founded
- **2012** – Partners with Google launching U2F, an open standard for 2FA
- **2014** – Google launches U2F support in Chrome and Gmail
- **2015** – Growing support[2] for YubiKeys – Dropbox, Facebook
- **2018** – Microsoft supports[2] YubiKeys on Windows
- **2020** – YubiEnterprise Subscription is launched
- **2022** – Apple supports[2] YubiKeys on iOS & macOS
- **2023** – SPAC merger through fusion with ACQ Bure
- **2024** – Listing on OMX Stockholm Large Cap
- **2025** – 35+ million keys shipped to end-users worldwide

Sources: Company public filings, Bloomberg, IBM
Notes: (1) % of common stock outstanding held (2) Compatible with the operating system or program

Share Price Performance and Ownership

Deep Valuation Discount Offers Attractive Entry Point

Indexed Share Price Performance



Sources: Company public filings, Bloomberg

Ownership

Company Name	Country	% of Shares
BURE	Sweden	17.4%
AMF	Sweden	10.8%
J. & S. Ehrensvärd	Sweden	10.2%
Fjärde AP-fonden	Sweden	5.6%
SEB	Sweden	5.0%
Top 5 Shareholders		49.0%
Handelsbanken	Sweden	5.0%
Swedbank	Sweden	4.9%
Ramanujam Shriram	USA	3.8%
Provider Investment	Sweden	2.5%
Meritech	USA	2.3%
Top 10 Shareholders		67.5%

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Key Investment Highlights (cont.)

Underutilized Position on a Market Facing Clear Tailwinds

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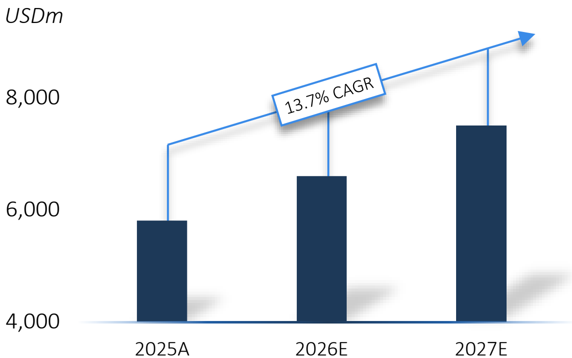
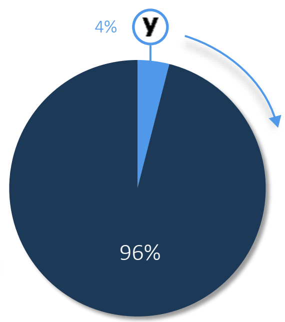
1) A High-Growth Market With a Regulatory Engine





NIS2
- 18 EU sectors
- FIDO2 explicitly recommended
- Fines up to 2% of turnover

PCI DSS 4.0
- Businesses handling payments
- Phishing-resistant MFA mandatory

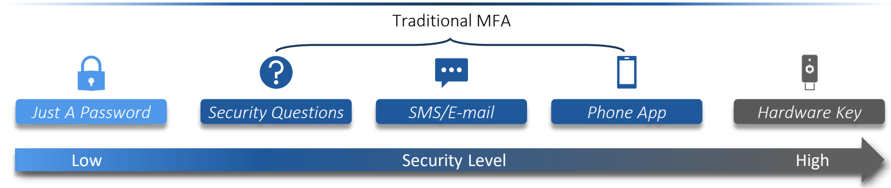
DORA
- EU financial sector
- Strong authentication for all privileged access required

Phishing-resistant authentication is now mandatory

All three frameworks are already in force, and hardware keys are the gold standard (1)

2) Pricing Power Waiting To Be Unlocked

	Credential Theft	Phishing	AiTM Attacks
Statistic	~80% of data breaches involve weak or stolen credentials	Phishing attacks up ~1,200% since 2022 GenAI boom	+146% growth in 2024
Threat	Weak passwords, credential reuse, leaked databases	AI-generated emails, deepfakes, social engineering	Real-time session hijacking, proxy-based attacks
What's Broken	Password-based authentication	Human trust & detection	Traditional MFA
Why It Matters	Entry point for majority of breaches	Scale + sophistication enabled by GenAI	Bypasses your "best practice" defenses



1. Breach Cost Dwarfs the Key's Price

One attack: Potentially millions of dollars in damages

YubiKey 5: ~$60–80
→ $1–2/user/month

2. Enterprise WTP is Higher

Duo Essentials: $3/user/month – app-based by default

→ Hardware-grade security commands a premium

3. Significant Gross Margin Upside Potential

YubiKey Subscription Base Tier: $1.25/user/month: ~80% GM

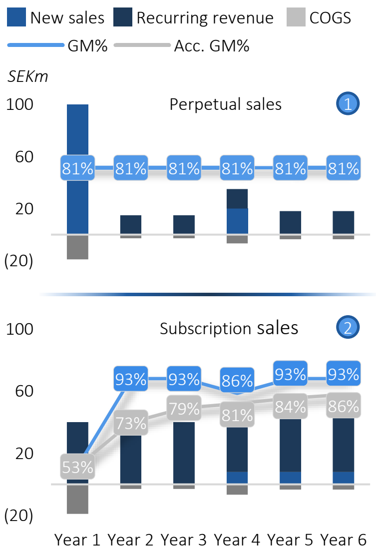
→ $2.5/user/month price adjustment yields ~90% GM

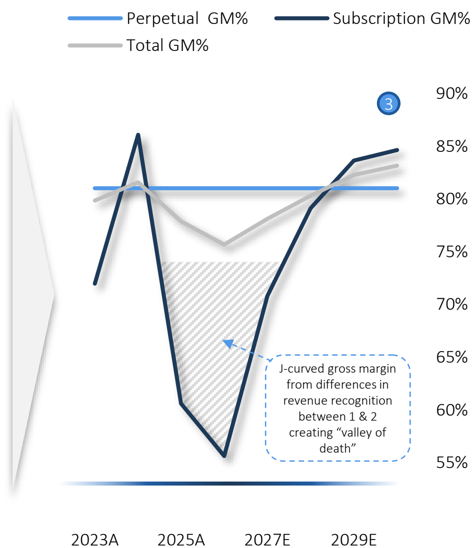
Sources: Company public filings, McKinsey, Microsoft
Notes: (1) Phishing-resistant MFA is the gold standard for security according to Microsoft, (2) Adversary-in-the-middle (AiTM) attacks bypass traditional MFA and enable long-term access without triggering alerts

Key Investment Highlights (cont.)

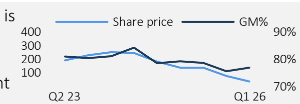
Market Irrationality & NWC Optimization

3) Market Penalizing Subscription Shift





The market is irrationally overlooking the shift to a subscription model and is currently penalizing the Company's share price due to optically slower growth and compressed margins. This provides a compelling buyout scenario where the Company could be acquired at 29.5x EBITDA, a discount to the IPO valuation of roughly 60x EBITDA

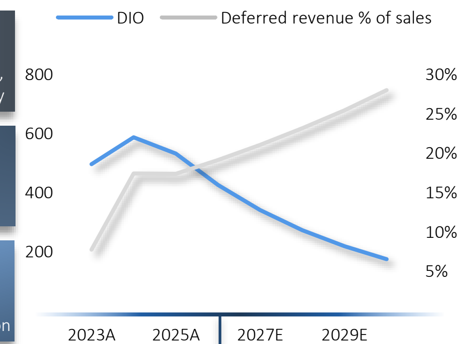


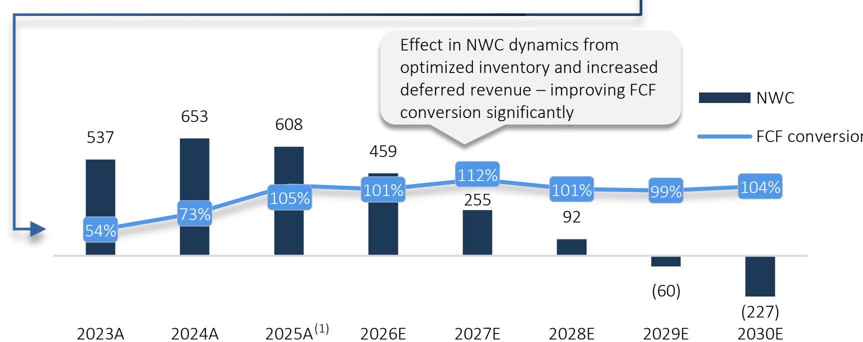
4) NWC Optimization from Lower Inventory & Revenue Shift

Yubico currently has a decentralized inventory all over the world to support quick delivery upon placed orders. Through centralizing their inventory, the Company can reduce the keys held in inventory

By taking on more of a production on demand model for delivery the Company can cut down on the number of keys in production and inventory during lower demand periods

The strategic revenue shift from license sales to subscription sales will increase the amount of deferred revenue significantly – further improving NWC dynamics in addition to inventory optimization





Sources: Company public filings, SEB, Carnegie, Analyst estimates
Note: (1) One-off year with large non-cash adjustments in the form of stock-based compensation and unrealized FX losses

Key Investment Highlights (cont.)

Operational Excellence & Multiple Reinforcement through Subscription Transition

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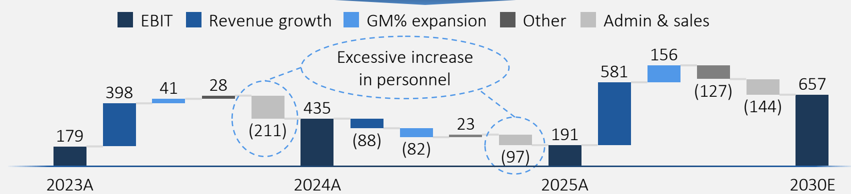
5) Decrease of Headcount Unlocking Incremental EBIT Margin Potential

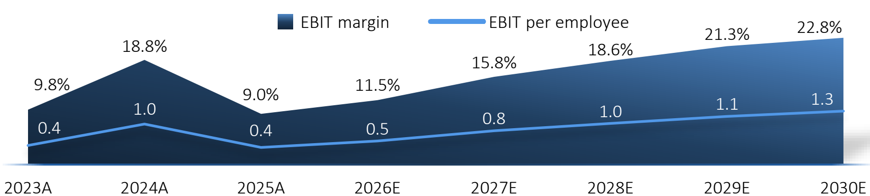
EBIT Waterfall Showcasing Excessive Personnel Costs in Admin & Sales



Yubico has applied an aggressive hiring strategy increasing headcount at a 12% CAGR outpacing sales growth of 9%

The Company's business model should benefit from operating leverage, and right-sizing the workforce in accordance with its operations will unlock this inherent potential

A successful right-sizing of the workforce, with headcount reduced from 509 to 427 in 2027E before climbing to 561 by 2030E, would unlock the margin potential – a SEK 745m revenue increase driving SEK 476m of EBIT expansion, an incremental EBIT margin of 64%



Sources: Analyst estimates, Bloomberg, Company public filings

6) Shift Towards Subscription Model Playbook

Thoma Bravo Take Private

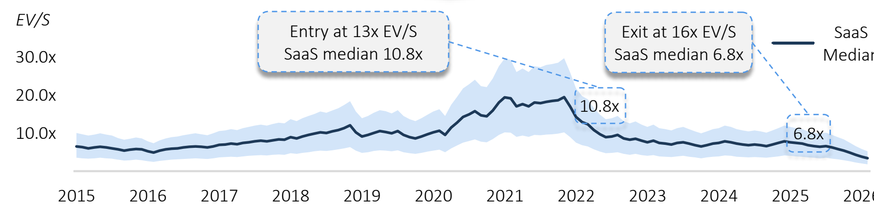
- Thoma Bravo took SailPoint private announcing the bid in April 2022 and closing the deal in August
- Entry multiple at 13x EV/S LTM at SaaS peak valuations

Transitional Period

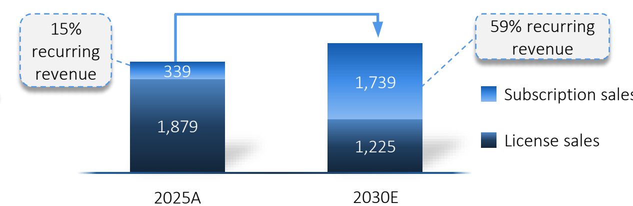
- Transitioned the company from 62% recurring revenue to 94%
- Incentivized sellers to transfer license customers to subscription

IPO Exit

- Exited the company at 16x EV/S after broader SaaS market multiples contracted by 37%
- Successfully avoided market pressure through subscription transaction



- Recurring revenue 4x during holding period
- Ensures robust valuation at exit



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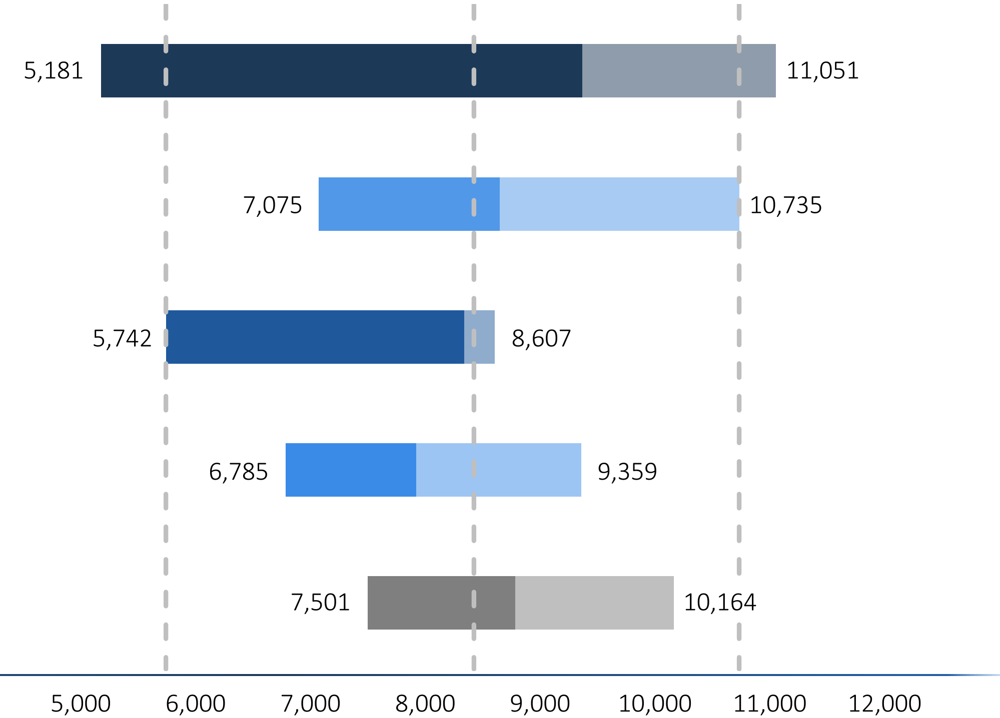
Valuation Summary

Current Valuation Methods Imply an EV Range of SEK 5,742–10,735m

Method		Enterprise Value (SEKm)
52 Week EV	▪ Median: 9,369 ▪ 25th–75th Percentile	5,181 – 11,051
Precedents	▪ Median: 8,650 ▪ 25th–75th Percentile	7,075 – 10,735
Trading Comps	▪ Median: 8,342 ▪ 25th–75th Percentile	5,742 – 8,607
LBO Analysis	▪ Median: 7,923 ▪ 15%–25% IRR	6,785 – 9,359
DCF	▪ Median: 8,785 ▪ Exit: 15–20x EBITDA ▪ WACC: 12.8–14.8%	7,501 – 10,164

Implied Median Multiple Range: 33x–36x EV/EBITDA



Sources: Bloomberg, Analyst estimates

Precedent Transactions

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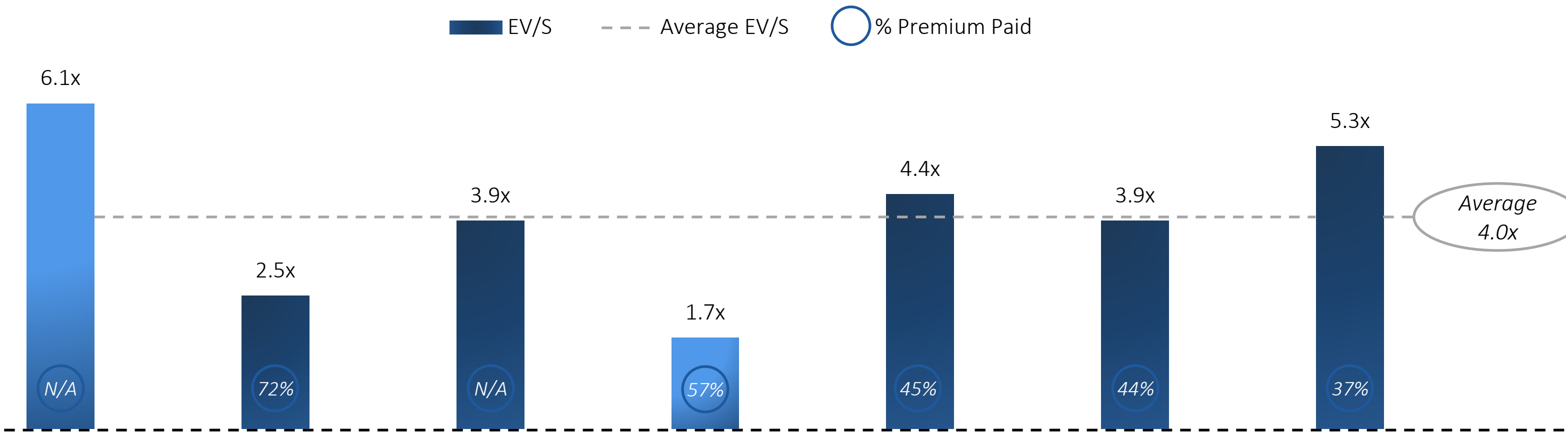
Precedent Transactions Imply an Average Transaction Multiple of 4.0x EV/S(2)

Selected Precedent Transactions (1)



Target	imperva	WITH secure	CIVICA	gemalto	ZEROFOX	tufin	SOPHOS
Acquirer	THALES	CVC	Blackstone	THALES	HAVELI	TURN/RIVER	THOMABRAVO
EV (SEKm)	32,900	3,223	24,720	51,600	3,221	5,248	35,920
Year	2023	2025	2023	2019	2024	2020	2020

Sources: S&P Capital IQ, Bloomberg, MergerSight
Notes: (1) Light blue indicates strategic buyers, and dark blue indicates financial sponsors (2) EV/S used instead of EV/EBITDA given most acquired companies were unprofitable at the time of acquisition

Comparable Companies

Peer Valuation Implies a Target Multiple of 22.0x EV/EBITDA by 2027E

Selected Peer Group

Company Name	Country	MCAP	EV	ND/EBITDA	Revenue CAGR	EBITDA Margin	EV/EBITDA
		SEKm	SEKm	LTM	2020A-2025A	2027E	2027E
okta		195,861	198,422	(8.6x)	28.4%	26.1%	22.0x
SailPoint		100,535	101,548	N/A	N/A	21.0%	36.7x
SentinelOne		51,960	49,066	N/A	60.8%	14.5%	22.7x
clavister		1,560	1,652	0.8x	11.3%	39.9%	11.8x
advenica		880	848	(3.5x)	19.2%	20.7%	15.1x
Median		**51,960**	**49,066**	(3.5x)	23.8%	21.0%	**22.0x**
Average		**70,159**	**70,307**	(3.8x)	29.9%	24.4%	**21.7x**
yubico		5,276	4,608	(4.3x)	29.6%	17.5%	12.2x

Sources: FactSet, S&P Capital IQ, Analyst estimates

Leveraged Buyout Analysis

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Leveraged Buyout Analysis Implies an IRR of 23.3%

LBO Cash Flows

SEKm	2025A	2026E	2027E	2028E	2029E	2030E
Debt	-	1,451	1,222	853	605	242
Debt Repayments	-	(229)	(369)	(249)	(363)	-
Interest Expense	-	(123)	(109)	(84)	(66)	(29)
EBITDA	**242**	**286**	**379**	**465**	**582**	**728**
Entry/Exit Multiple	N/A	29.5x	20.0x	20.0x	20.0x	20.0x
Enterprise Value	7,139	5,711	7,581	9,300	11,648	14,553
(-) Net debt	(895)	1,122	753	338	(159)	(827)
Equity Value	8,034	4,589	6,828	8,963	11,807	15,380
Total Debt/EBITDA	-	5.1x	3.2x	1.8x	1.0x	0.3x
MOIC	N/A	0.8x	1.2x	1.5x	2.0x	2.6x

Exit multiple (columns) / Entry multiple (rows)

IRR	15.0x	17.5x	20.0x	22.5x	25.0x
25.5x	21.1%	25.0%	28.4%	31.6%	34.5%
27.5x	18.6%	22.4%	25.8%	28.9%	31.8%
29.5x	16.4%	20.1%	23.3%	26.5%	29.3%
31.5x	14.4%	18.1%	21.4%	24.3%	27.1%
33.5x	12.6%	16.2%	19.4%	22.4%	25.1%

Exit multiple (columns) / Leverage (rows)

IRR	15.0x	17.5x	20.0x	22.5x	25.0x
4.0x	14.3%	17.9%	21.2%	24.2%	27.0%
5.0x	15.2%	18.9%	22.2%	25.3%	28.0%
6.0x	16.3%	20.0%	23.3%	26.4%	29.2%
7.0x	17.3%	21.1%	24.5%	27.5%	30.4%
8.0x	18.5%	22.2%	25.7%	28.8%	31.6%

Sources: Bloomberg, Analyst estimates

Comments

- An IRR of **23.3%** implies an equity value at exit of SEK 15,380m supported by **margin expansion** and **improved cash flow conversion**
- Leverage is high at entry on a **Debt/EBITDA** basis due to below-normal margins, but delevers quickly as **margins normalize**
- Subordinated debt **uncallable** until 2029 then called at **104** in 2029 and **102** in 2030
- Mezzanine debt **uncallable** resulting in cash build up in **2030E** carrying over into exit

Discounted Cash Flow Valuation

Discounted Cash Flow Valuation Implies an EV of SEK 7,501–10,164m

Discounted Cash Flows

SEKm	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
EBITDA	213	473	242	286	379	465	582	728
% Margin	*11.6%*	*20.4%*	*10.9%*	*13.3%*	*17.5%*	*20.4%*	*23.0%*	*24.6%*
EBIT	179	438	200	248	341	425	538	676
Tax	(50)	(90)	(39)	(51)	(70)	(88)	(111)	(139)
NOPAT	142	347	159	197	271	337	427	536
D&A	33	36	42	38	38	40	44	52
Leasing	(18)	(19)	(16)	(18)	(19)	(20)	(22)	(25)
Δ in WC	140	88	(45)	(149)	(204)	(163)	(152)	(167)
CapEx	(13)	(60)	(48)	(39)	(39)	(41)	(46)	(54)
FCFF	**4**	**217**	**181**	**327**	**455**	**479**	**556**	**676**

		Exit multiple				
	EV	12.5x	15.0x	17.5x	20.0x	22.5x
WACC	11.8%	7,282	8,374	9,465	10,556	11,648
	12.8%	7,021	8,069	9,117	10,164	11,212
	13.8%	6,772	7,778	8,785	9,791	10,797
	14.8%	6,535	7,501	8,468	9,435	10,401
	15.8%	6,308	7,237	8,166	9,095	10,024

		Exit multiple				
	EV	12.5x	15.0x	17.5x	20.0x	22.5x
Change in EBIT margin	(20.0%)	6,521	7,525	8,530	9,534	10,539
	(10.0%)	6,641	7,646	8,651	9,655	10,660
	Base	6,762	7,767	8,772	9,776	10,781
	10.0%	6,883	7,888	8,893	9,897	10,902
	20.0%	7,004	8,009	9,013	10,018	11,023

Sources: Bloomberg, Analyst estimates

Comments

- Increased NOPAT is driven by expanding EBIT margins from **decrease** in **personnel costs** and **sales** costs
- **FCFF** improvement is mainly driven by improved **NWC structure** from **subscription shift** and **DIO decrease**
- **Exit multiple** of **17.5x** EBITDA is used to calculate TV
- **WACC** of **13.8%** is used to discount cash flows
- Sensitivity analysis showing change in **EBIT Margin** from 20% **lower** than base case to 20% **higher** than base case

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Buyer Universe

Potential Strategic Acquirers and Financial Sponsors

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Strategic Acquirers	okta, CISCO, THALES, Microsoft, Google, paloalto NETWORKS, ENTRUST
Financial Sponsors	THOMABRAVO, NORDIC CAPITAL, BainCapital, EQT, FRANCISCO PARTNERS, VISTA EQUITY PARTNERS, PERMIRA

Source: Analyst estimates

Potentially Interested Parties

Selected Strategic Acquirers

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Company	Key Metrics		Comments
okta	Ownership Market Cap. Revenue Capacity(1)	Public SEK 160bn SEK 27bn SEK 20bn	▪ Global cloud-native Identity-as-a-Service leader with enterprise clients across all sectors ▪ Scope-focused: expanding the identity platform breadth, not headcount or geography ▪ Yubico fills Okta's only gap, a proprietary hardware credential for regulated enterprises ▪ Acquired Auth0, Spera, and Axiom Security showing consistent identity stack build-out
CISCO	Ownership Market Cap. Revenue Capacity(1)	Public SEK 4,623bn SEK 544bn SEK 141bn	▪ Global networking and cybersecurity giant; dominant in enterprise zero-trust and MFA via Duo ▪ Scale-focused: distributes acquired technologies through a massive existing enterprise channel ▪ Duo + Yubico = single-vendor phishing-resistant stack meeting AAL3 for regulated industries ▪ Acquired Duo, Oort, and Splunk – over 200 acquisitions to date
THALES	Ownership Market Cap. Revenue Capacity(1)	Public SEK 530bn SEK 239bn SEK 20bn	▪ French defense and digital identity giant with deep government ties ▪ Scope-focused: Building a vertically integrated hardware-to-software cybersecurity portfolio ▪ Yubico's roadmap aligns with Thales's requirements for national security clients ▪ Acquired Gemalto and Imperva signaling a pattern of buying leading Western security brands
Microsoft	Ownership Market Cap. Revenue Capacity(1)	Public SEK 31,973bn SEK 2,813bn SEK 754bn	▪ World's dominant enterprise identity provider via Entra ID; serves hundreds of millions globally ▪ Scope-focused: building end-to-end security – Yubico adds the missing hardware root of trust ▪ YubiKey bundled into Entra subscriptions would lock in AAL3-required customers ▪ Acquired RiskIQ, Miburo, 20+ cybersecurity deals since 2019 – regulatory risk is the constraint

Sources: The companies, S&P Capital IQ
Note: (1) Capacity defined as Net Cash for net-cash companies or FCF LTM for net-debt companies

Potentially Interested Parties (cont.)

Selected Financial Sponsors

Company	Key Metrics	Comments
Thoma Bravo	AUM: SEK 1,693bn # of portfolio companies: 80 Latest fund size: SEK 75bn Ticket size: SEK 3–140bn	▪ World's leading cybersecurity and enterprise software-focused PE firm, with over 565 completed software and technology transactions ▪ Yubico's valuation and hardware authentication profile aligns closely with the Discover Fund's mandate ▪ Restore margins through operational improvements and pursue add-on acquisitions to consolidate the identity and access management space
EQT	AUM: SEK 2,800bn # of portfolio companies: 300+ Latest fund size: SEK 264bn Ticket size: SEK 2–30bn	▪ EQT invests in technology companies across Europe and North America through large- and mid-cap buyouts ▪ Yubico aligns with EQT's digital infrastructure theme, with Nordic heritage providing a natural advantage in engaging key shareholders in a take-private ▪ Drive margin recovery, accelerate enterprise expansion, and leverage EQT's operational platform to execute bolt-on acquisitions within digital identity
Francisco Partners	AUM: SEK 460bn # of portfolio companies: 103 Latest fund size: SEK 130bn Ticket size: SEK 1–20bn	▪ Technology-focused PE firm, specializing in cybersecurity, software and hardware-enabled services across 500+ technology investments since 1999 ▪ Investing out of FP VII ($13.5bn), Yubico's size and profile fit the fund's sweet spot ▪ Restore profitability through operational restructuring and drive cross-sell synergies with BeyondTrust and Black Duck Software
Nordic Capital	AUM: SEK 390bn # of portfolio companies: 60 Latest fund size: SEK 110bn Ticket size: SEK 0.5–5.5bn	▪ Nordic Capital invests in technology & payments and financial services through Nordic buyouts ▪ Yubico fits Nordic Capital's strategy; iLOQ demonstrates appetite for hardware-enabled digital platforms ▪ Support margin recovery and capitalize on compliance-driven demand for phishing-resistant MFA

Source: The companies

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