

# yubico

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

# Q3

Interim report

July-September 2024



## QUARTERLY SUMMARY

## CEO STATEMENT

## AT A GLANCE

## GROUP DEVELOPMENT

## OTHER INFORMATION

## FINANCIAL STATEMENTS

## ADDITIONAL INFORMATION

## Third quarter

- Net sales increased by 44.8 percent to SEK 589.9 (407.3) million, corresponding to an increase of 49.0 percent in local currencies
- Subscription sales amounted to 12.1 (14.4) percent of net sales
- Gross profit amounted to SEK 478.0 (333.2) million, corresponding to a gross margin of 81.0 (81.8) percent
- Adjusted EBIT amounted to SEK 110.7 (16.1) million, corresponding to an adjusted EBIT margin of 18.8 (4.0) percent
- EBIT amounted to SEK 110.7 (-77.7) million, corresponding to an EBIT margin of 18.8 (-19.1) percent. Last year's figures were affected by transaction costs related to the merger of ACQ and Yubico
- Earnings per share after dilution amounted to SEK 0.91 (-1.34). The average number of shares has increased by 68 percent compared to the previous year, related to the merger of ACQ Bure and Yubico in September 2023
- Bookings increased by 52.6 percent to SEK 609.7 (399.6) million, corresponding to an increase of 58.5 percent in local currencies
- Subscription bookings amounted to 14.6 (14.5) percent of bookings
- ARR (annual recurring revenue) amounted to SEK 292.7 (255.3) million, an increase of 14.6 percent

## January – September

- Net sales increased by 33.9 percent to SEK 1,703.2 (1,271.9) million, corresponding to an increase of 34.7 percent in local currencies
- Subscription sales amounted to 11.0 (12.9) percent of net sales
- Gross profit amounted to SEK 1,373.8 (1,026.4) million, corresponding to a gross margin of 80.7 (80.7) percent
- Adjusted EBIT amounted to SEK 326.5 (182.1) million, corresponding to an adjusted EBIT margin of 19.2 (14.3) percent
- EBIT amounted to SEK 326.5 (88.2) million, corresponding to an EBIT margin of 19.2 (6.9) percent
- Earnings per share after dilution amounted to SEK 2.96 (1.09)
- Bookings increased by 61.0 percent to SEK 1,861.2 (1,155.9) million, corresponding to an increase of 62.3 percent in local currencies
- Subscription bookings amounted to 18.0 (12.5) percent of bookings

Q3

Interim report Jul-Sep 2024

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

## Significant events during the quarter

- On September 23 Yubico announced the Nomination Committee for the 2025 Annual General Meeting.

## Significant events after the end of the period

- There were no significant events after the end of the period.

MSEK	Q3			Jan-Sep			LTM	Full-year
	2024	2023	Δ%	2024	2023	Δ%	23/24	2023
Net sales	589.9	407.3	44.8	1,703.2	1,271.9	33.9	2,258.5	1,827.3
whereof subscription sales, %	12.1	14.4		11.0	12.9		11.6	12.8
Gross profit	478.0	333.2	43.5	1,373.8	1,026.4	33.8	1,805.9	1,458.6
Gross margin, %	81.0	81.8		80.7	80.7		80.0	79.8
Adjusted EBIT <sup>1</sup>	110.7	16.1	586.8	326.5	182.1	79.3	410.7	266.2
Adjusted EBIT margin (%) <sup>1</sup>	18.8	4.0		19.2	14.3		18.2	14.6
EBIT	110.7	-77.7	-242.4	326.5	88.2	270.2	417.4	179.1
EBIT margin, %	18.8	-19.1		19.2	6.9		18.5	9.8
Net profit/loss	81.2	-70.7	-214.9	258.6	55.3	367.6	333.8	130.6
Earnings per share, before dilution <sup>2</sup>	0.94	-1.34	-170.5	3.00	1.09	176.6	4.10	2.19
Earnings per share, after dilution <sup>2</sup>	0.91	-1.34	-168.2	2.92	1.09	169.3	4.02	2.19
Net cash <sup>3</sup>	676.1	496.9	36.1	676.1	496.9	36.1		473.3
Bookings	609.7	399.6	52.6	1,861.2	1,155.9	61.0	2,545.4	1,840.0
whereof subscription bookings, %	14.6	14.5		18.0	12.5		18.3	14.9
ARR	292.7	255.3	14.6	292.7	255.3	14.6		286.5

<sup>1</sup> Adjusted for effects from transaction costs related to the merger of ACQ and Yubico which occurred in September 2023

<sup>2</sup> The average number of shares after dilution has increased by 68 percent compared to the previous year, related to the merger.

<sup>3</sup> The definition of net cash has been updated. Previously, lease liabilities were excluded from the calculation, but under the new definition lease liabilities are included. Comparative periods have been recalculated for comparability.

### Strong Q3 performance

Q3, typically a seasonally weaker period, delivered strong order bookings growth of 53 percent compared to the same quarter last year, reaching SEK 610 million. Sales conversion remained strong, with revenue for the quarter totaling SEK 590 million, representing a growth of 45 percent. As a reminder, there is often a lag before order bookings convert into net sales, most importantly because of subscription sales, but also due to large customers often wanting to deploy their YubiKeys over several quarters. Our gross margin remained solid at 81 percent, reflecting operational excellence, which also supported a robust EBIT margin of 19 percent. Additionally, we saw improved cash flow during the quarter, further reinforcing our financial health. Growth was driven by a diverse customer base spanning various industries and geographies, with continued strong demand from both the technology and public sectors. Most of our growth continues to come from our existing customers that expand the internal usage of our YubiKeys.

### Trends drive cybersecurity demand

Several key trends have fueled growing demand for the cybersecurity sector and Yubico's products specifically. According to the World Economic Forum, major shifts—such as the rise of AI-driven cyberattacks, widening cyber inequity, and the need to protect critical infrastructure—have prompted stricter global regulations and a surge in demand for advanced security solutions. For instance, the EU's NIS2 Directive and the US National Cybersecurity Strategy have increased regulatory pressure on organizations to enhance their cybersecurity. This has driven the need for secure products like Yubico's hardware security keys, as

businesses aim to meet stricter standards for multifactor authentication and data protection.

### Strategic partnership with PKO Bank

One sector that we have historically highlighted as a key growth area for our B2B2C efforts is the financial sector. We're excited to announce a major milestone this quarter: in September, we partnered with PKO Bank, the largest bank in Poland, making it possible for its 12 million customers to log in securely using a YubiKey. This collaboration underscores the increasing demand for strong authentication in financial services and strengthens Yubico's position as a trusted security provider. By securing PKO Bank's services, we're reinforcing our commitment to protecting customers and expanding our reach within the financial industry.

### Commitment to security & transparency

In our commitment to security, we published an advisory in September regarding a vulnerability discovered in Infineon's cryptographic library, which affects the YubiKey 5 Series, Security Key Series, and YubiHSM 2. While this issue has not been a concern for the majority of our clients and has had a minor impact on Yubico, we believe in being transparent with our customers. To further enhance our security measures and reduce our reliance on an external supplier, we have developed our own cryptographic library to replace the old one, which has been implemented in the new versions of our keys.

### Shaping future digital identity security

As we look forward, Yubico's technology has the potential to go beyond login protection to become a cornerstone of identity security. This would apply for internal enterprise deployments but also for consumer usage. Yubico is already involved in several projects focused on safeguarding identities across the U.S.,

Europe, and Asia. Currently, Yubico is engaged in the European Digital Identity (EUDI) Wallet initiative and has as a part of this initiative been selected to actively contribute to Germany's ID project led by SPRIND, which focuses on creating prototypes for a universal EUID. This involvement highlights our dedication to advancing digital identity security and contributing to a safer future for all.

### One year as a listed company

Lastly, this quarter, on September 20th, Yubico celebrated its one-year anniversary as a publicly listed company. Over the past 12 months, we have experienced significant growth, and I would like to extend my sincere thanks to our supporters for their trust in Yubico. I believe this is only the beginning of an exciting journey ahead.



Mattias Danielsson, CEO

QUARTERLY SUMMARY

**CEO STATEMENT**

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Q3

Interim report Jul-Sep 2024

Yubico is a global cybersecurity company that between 2019 and 2023 has grown net sales by a compounded annual growth rate (“CAGR”) of 36 percent. Through its core product and invention, the YubiKey, Yubico solves the number one cybersecurity issue – use of stolen credentials. These cause 8 out of 10 cybersecurity intrusions, often through so called phishing attacks.

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

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

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

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

Yubico is headquartered in Stockholm, Sweden and Santa Clara, California with manufacturing primarily located in Sweden with minor manufacturing in the US. The company is traded on Nasdaq First North Growth Market in Stockholm since September 20, 2023.

## YUBICO’S OPPORTUNITIES, STRENGTHS AND COMPETITIVE ADVANTAGES



### High market growth

Underlying global trends including increased number of cyberattacks, digital transformation, and larger investments in cybersecurity drive demand for Yubico’s solutions



### Unique, proven technology

Yubico’s solutions are the gold standard for modern phishing-resistant multi-factor authentication and are used by thousands of businesses and millions of consumers in 160+ countries around the world



### Attractive growth potential

High potential to continue expanding with both current and new customers through:

- New use cases
- New industry verticals
- Customers' customers and third-party suppliers



### Solid organization setup

Yubico has an experienced global management team with deep industry knowledge. Part of the management team have been with the company for over a decade

2.3<sup>bn</sup>

Net sales (SEK)  
last twelve months

474

employees  
per end of last quarter

80%

Gross margin  
last twelve months

160+

Markets  
Global presence

### VISION

**Making the internet safer with strong authentication for all**

### VALUE PROPOSITION

**Stop phishing attacks and account takeovers in the easiest possible way**

Q3

Interim report Jul-Sep 2024



Net sales, quarterly and 12-month rolling, SEK million



## Net sales

### July-September

Net sales increased 44.8 percent to SEK 589.9 (407.3) million, corresponding to an increase of 49.0 percent in local currencies and subscription sales represented 12.1 percent (14.4) of net sales. The share of subscription sales has decreased as perpetual sales have seen even stronger growth, driven by high volume of orders from individual major tech clients. 66.7 percent (72.0) of net sales originated in Americas, 24.3 percent (20.5) in EMEA, and 8.9 percent (7.4) in Asia Pacific, demonstrating that Yubicos' geographical reach is improving. We continue to see a strong interest especially from the public sector and the high-tech sector.

### January-September

Net sales increased 33.9 percent to SEK 1,703.2 (1,271.9) million, corresponding to an increase of 34.7 percent in local currencies and subscription sales represented 11.0 percent (12.9) of net sales.

Adj. EBIT, quarterly and 12 months rolling, SEK million



## Gross profit

### July-September

Gross profit increased 43.4 percent to SEK 478.0 (333.2) million, corresponding to a stable gross margin of 81.0 percent (81.8).

### January-September

Gross profit increased 33.8 percent to SEK 1,373.8 (1,026.4) million, corresponding to a gross margin of 80.7 percent (80.7).

## EBIT

### July-September

Adjusted EBIT amounted to SEK 110.7 (16.1) million, corresponding to an adjusted EBIT margin of 18.8 percent (4.0). The adjustment relates to transaction costs in the merger of ACQ and Yubico last year, for further information see 2023 Annual Report.

EBIT amounted to SEK 110.7 (-77.1) million, corresponding to an EBIT margin of 18.8 percent (-19.1).

The number of employees amounted to 474 (427) at the end of the quarter, an increase of 11 percent from the same period last year. The cost for the LTIP 2024 program, which was granted in June this year, amounted to SEK 18.2 million in the quarter. Despite continued investments in development and sales, the adjusted EBIT has improved significantly. Research and development amounted to SEK 83.6 (68.9) million, selling expenses amounted to SEK 198.0 (164.2) million and administrative expenses amounted to SEK 74.9 (82.7) million in the quarter. Unrealized currency effects are affecting profit with the net amount SEK -9,0 (3.3) million. These are reported as Other income and expenses in the statement of profit or loss.

### January-September

Adjusted EBIT amounted to SEK 326.5 (182.1) million, corresponding to an adjusted EBIT margin of 19.2 percent (14.3). EBIT amounted to SEK 326.5 (88.2) million, corresponding to an EBIT margin of 19.2 percent (6.9).

## Net profit/loss and earnings per share

### July-September

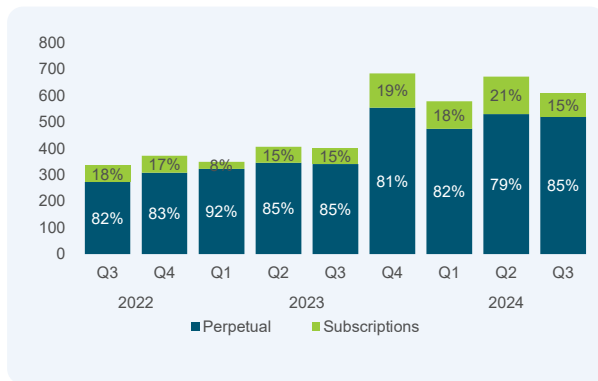
The net profit/loss amounted to SEK 81.2 (-70.7) million. The effective tax for the quarter was 27.8 (-4,5) percent. Prior period effective tax rate was impacted by the merger between Yubico AB and ACQ Bure.

Earnings per share after dilution amounted to SEK 0.91 (-1.34). The average number of shares has increased by 68 percent compared to the previous year, related to the merger of ACQ Bure and Yubico in September 2023.

### January-September

The net profit/loss amounted to SEK 258.6 (55.3) million. Earnings per share after dilution amounted to SEK 2.92 (1.09).

Bookings by quarter, SEK million



## Bookings

### July-September

Bookings increased 52.6 percent in the quarter, to SEK 609.7 (399.6) million, corresponding to an increase of 58.5 percent in local currencies. Subscription bookings amounted to SEK 89.3 (57.9) million, corresponding to 14.6 percent (14.5) of bookings. A large share of the subscription bookings, SEK 61.9 million, are contract renewals. The growth in bookings came from a wide set of customers, industries, and geographies. Some of our largest orders came from the public sector and leading tech companies. We continue to see interest from the European defence sector.

### January-September

Bookings increased 61.0 percent to SEK 1,861.2 (1,155.9) million, corresponding to an increase of 62.3 percent in local currencies. Subscription bookings

ARR, SEK million



amounted to SEK 335.2 (144.9) million, corresponding to 18.0 percent (12.5) of bookings. Of the subscription bookings SEK 187.1 million represents renewals.

## Annual recurring revenue, ARR

ARR increased by 14.6 percent compared to last year and amounted to SEK 292.7 (255.3) million at the end of the period.

## Cash flow and financial position

### July-September

Cash flow from operating activities during the quarter amounted to SEK 142.2 (-20.8) million. Net change in working capital amounted to SEK -74.5 (-3.3) million. During 2023 and Q1 2024, a strategic decision was made to increase inventory levels. By the end of the quarter, inventory reached 28.2 percent of LTM net

sales, representing a reduced level from 29.2 percent in Q2 2024.

Cash flow from investing activities amounted to SEK 1.1 (3,420.1) million. Cash flow from financing activities amounted to SEK -8.0 (-3,232.5) million, where-of SEK -4.7 million is amortization of lease liabilities and SEK -3.3 million is amortization of loan. Total interest-bearing liabilities at the end of the period amounting to SEK 51.4 (84.4) million, whereof total lease liabilities amounting to SEK 22.2 (42.2) million.

### January-September

Cash flow from operating activities during the period amounted to SEK 323.3 (158.4) million. Changes in working capital for the period amounted to SEK -107.5 million, whereof increase in inventory amounted to SEK 134.8 million. Cash flow from investing activities amounted to SEK -19.5 (3,414.6) million, whereof SEK -12.0 million related to investment in cost of obtaining contracts and SEK -6.7 million related to investments in tangible assets. Cash flow from financing activities amounted to net SEK -22.5 (-3,239.6) million, whereof SEK -12.8 million related to amortization of lease liabilities and SEK -9.7 amortization of loan. Cash and cash equivalents at the end of the period amounted to SEK 727.6 (581.4) million. Net cash at the end of the period amounted to SEK 676.1 (496.9) million.

Q3 and full year 2023, investing activities and financing activities were impacted by the merger transaction between ACQ Bure and Yubico in September 2023. More information can be found in the 2023 annual report.

### Sustainability

Yubico is currently in the early stages of adapting to the Corporate Sustainability Reporting Directive (CSRD) framework, with the ambition to report in accordance with its guidelines for the fiscal year 2025. This initiative aligns with Yubico's commitment to transparency and accountability in sustainability practices. Yubico's overall vision is to make secure login easy and available for everyone. From a societal perspective, IT security is essential to ensure safe communication and to protect customers, citizens and, by extension, democracies. Yubico responds to the United Nations Sustainable Development Goals (SDG) no.9 by supporting a resilient infrastructure, and SDG no.16 by supporting effective, accountable, and transparent institutions and public access to information. For more detailed information relating to our sustainability work, see the Annual report for 2023.

### Employees

The number of employees in the Yubico group at the end of the period was 474 (427).

### Financial targets

The company adopted the following financial targets in 2023 to be accomplished in 5 years' time:

- Growth: Annual growth in net sales of 25 percent on average.
- Profitability: 20 percent EBIT margin.
- Dividend policy: For the foreseeable future, the Company will primarily use the generated cash flows for investing in continued growth.

### Risk management

Yubico works continuously to identify, evaluate, and manage risks in different systems and processes. Risk

analyses are carried out continuously regarding normal operations and in connection with activities that are outside Yubico's regular quality system. The risk and uncertainty factors for the group and the parent company, including business and financial risks, are described in the annual report for the financial year 2023. There have not been any changes in the risk and uncertainty factors for the group and the parent company since the publication of the last annual report.

### Parent company

The Parent company's net sales for the January-September period amounted to SEK 298.8 (168.1) million. Profit before tax was SEK 96.4 (-64.2) million. Cash and cash equivalents at the period end amounted to SEK 663.1 (482.2) million. The number of employees in the Parent Company at the end of the quarter was 139 (121).

### Ownership and shares

Yubico Group AB's share is listed to the First North Growth Market under the ticker YUBICO. Certified advisor is FNCA.

As of September 30, 2024, the number of issued shares was 86,114,017. All shares were ordinary shares.

### Change in accounting standards and accounting policies

Yubico started reporting in accordance with IFRS Accounting Standards and with the new functional-based format for Statement of Profit and Loss as per the interim report for the first quarter 2024, see Yubico's interim report for the first quarter 2024 for further information.

### Long-term incentive program

The AGM held on May 14, resolved to implement a long-term incentive program for 2024 ("LTIP 2024"). The program is based on performance stock units ("PSUs") and includes up to approximately 480 senior executives, key personnel and other employees within the Group. The maximum number of PSUs that may be awarded is 700,000.

In August, additional 13,500 PSUs were awarded to 13 senior executives, key personnel and other employees in the group based on this program. The remaining PSUs can be granted to new employees before the end of the year.

### Nomination Committee

The Nomination Committee for Yubico's 2025 Annual General Meeting has been appointed. According to the current instruction for the Nomination Committee, the Nomination Committee shall comprise four members appointed by the four largest shareholders in the company. The following members have been appointed to the Nomination Committee:

Carsten Browall, appointed by Bure Equity AB

Patricia Hedelius, appointed by AMF Tjänstepension Fonder

Stina Ehrensverd, representing herself

Oscar Bergman, appointed by Swedbank Robur Fonder

The members of the Nomination Committee together represent 42.96 percent of the votes in the company.

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

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

**OTHER INFORMATION**

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Q3

Interim report Jul-Sep 2024



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

Stockholm, November 12, 2024

Patrik Tigerschiöld  
*Chairman*

Ramanujam Shiriram

Stina Ehrensverd

Paul Madera

Jaya Baloo

Eola Änggård Runsten

Gösta Johannesson

Mattias Danielsson  
*CEO*

### Webcast/teleconference

Yubico will hold a webcast/conference call today, November 13, 2024, at 09:00 CET. Mattias Danielsson, CEO of Yubico and Camilla Öberg, CFO of Yubico will present and answer questions.

To participate in the conference, click on the following link <https://ir.financialhearings.com/yubico-q3-report-2024>. Via the webcast, you can ask written questions. If you wish to ask questions verbally, please register on the following link: <https://conference.financialhearings.com/teleconference/?id=50049840>

### Financial calendar

Year-end Report January-December: February 13, 2025

Interim report January – March: May 13, 2025

Annual General Meeting: May 13, 2025

Interim report January – June: August 14, 2025

Interim report January – September: November 12, 2025

### Contacts

Mattias Danielsson  
CEO  
+46 70 287 00 03  
mattias@yubico.com

Camilla Öberg  
CFO  
+46 73 398 50 01  
camilla.oberg@yubico.com

Alexandra Barganowski  
IR & Sustainability  
+46 72 083 27 50  
alexandra.barganowski@yubico.com

The interim report includes such information that Yubico is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication on November 13, 2024, at 7.00am CET.

Q3

Interim report Jul-Sep 2024

Yubico AB (publ) org nr 559278-6668

**Introduction**

We have reviewed the condensed interim financial information (interim report) of Yubico AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, November 12, 2024

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson

Authorized Public Accountant

Key Audit Partner

Reita Seseri

Authorized Public Accountant

Co-signing director

Q3

Interim report Jul-Sep 2024

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

**OTHER INFORMATION**

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

## Condensed consolidated statement of profit or loss

MSEK	Note	Q3			Jan-Sep			LTM	Full-year	
		2024	2023	2022	2024	2023	2022	23/24	2023	2022
Net sales	2	589.9	407.3	390.9	1,703.2	1,271.9	1,086.6	2,258.5	1,827.3	1,551.2
Cost of sales	3	-111.9	-74.1	-88.9	-329.4	-245.5	-247.5	-452.6	-368.7	-354.0
<b>Gross profit</b>		<b>478.0</b>	<b>333.2</b>	<b>302.1</b>	<b>1,373.8</b>	<b>1,026.4</b>	<b>839.1</b>	<b>1,805.9</b>	<b>1,458.6</b>	<b>1,197.2</b>
Research and development	3	-83.6	-68.9	-57.1	-240.6	-202.5	-168.1	-312.2	-274.1	-235.0
Selling expenses	3	-198.0	-164.2	-145.1	-580.9	-450.1	-401.7	-780.2	-649.4	-545.0
Administrative expenses	3	-74.9	-82.7	-56.1	-220.0	-204.4	-179.8	-284.4	-268.8	-234.3
Transaction related expenses		-	-93.9	-	-	-93.9	-	6.7	-87.2	-
Other income and expenses		-10.8	-1.3	26.8	-5.7	12.6	51.0	-18.4	-0.1	20.5
<b>EBIT</b>		<b>110.7</b>	<b>-77.7</b>	<b>70.5</b>	<b>326.5</b>	<b>88.2</b>	<b>140.7</b>	<b>417.4</b>	<b>179.1</b>	<b>203.4</b>
Net financial items		1.9	3.7	-1.2	9.8	1.1	2.3	9.9	1.1	2.4
<b>Profit/loss before tax</b>		<b>112.6</b>	<b>-74.0</b>	<b>69.3</b>	<b>336.4</b>	<b>89.3</b>	<b>143.0</b>	<b>427.3</b>	<b>180.2</b>	<b>205.9</b>
Tax		-31.4	3.4	-1.1	-77.8	-34.0	-4.0	-93.4	-49.6	38.6
<b>Net Profit/loss</b>		<b>81.2</b>	<b>-70.7</b>	<b>68.2</b>	<b>258.6</b>	<b>55.3</b>	<b>139.0</b>	<b>333.8</b>	<b>130.6</b>	<b>244.5</b>
Earnings per share before dilution, SEK		0.94	-1.34	1.38	3.00	1.09	2.82	4.10	2.19	4.95
Earnings per share after dilution, SEK		0.91	-1.34	1.34	2.92	1.09	2.72	4.02	2.19	4.79
Average number of shares before dilution (mill)		86.1	52.8	49.4	86.1	50.9	49.4	86.1	59.7	49.4
Average number of shares after dilution (mill)		89.0	52.8	51.0	88.4	50.9	51.0	87.6	59.7	51.0

## Condensed consolidated statement of comprehensive income

MSEK	Note	Q3			Jan-Sep			LTM	Full-year	
		2024	2023	2022	2024	2023	2022	23/24	2023	2022
<b>Net Profit/loss</b>		<b>81.2</b>	<b>-70.7</b>	<b>68.2</b>	<b>258.6</b>	<b>55.3</b>	<b>139.0</b>	<b>333.8</b>	<b>130.6</b>	<b>244.5</b>
<b>Other comprehensive income</b>										
<b>Items to be reclassified to profit/loss, after tax</b>										
Translation differences at translating foreign entities		-12.2	1.5	7.8	3.1	7.9	16.5	-7.3	-2.5	8.6
Tax relating to translation differences		-1.4	-	-	0.1	-	-	0.1	-	-
<b>Total comprehensive income</b>		<b>67.6</b>	<b>-69.1</b>	<b>76.0</b>	<b>261.7</b>	<b>63.2</b>	<b>155.5</b>	<b>326.6</b>	<b>128.1</b>	<b>253.1</b>

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

## Condensed consolidated statement of financial position

MSEK	30 Sep			31 Dec		1 Jan
	2024	2023	2022	2023	2022	2022
<b>ASSETS</b>						
Intangible assets	15.9	7.8	11.3	7.2	10.2	13.2
Property, plant and equipment	47.5	75.0	88.9	63.1	83.2	83.0
Financial assets	6.7	6.4	2.9	6.1	6.5	1.7
Deferred tax assets	70.7	55.7	7.8	61.2	53.2	6.1
<b>Total non-current assets</b>	<b>140.7</b>	<b>144.9</b>	<b>111.0</b>	<b>137.6</b>	<b>153.0</b>	<b>103.9</b>
Inventories	636.1	414.7	193.5	501.0	168.3	208.4
Accounts receivable	407.8	238.1	336.3	191.9	408.6	133.0
Other current assets	101.2	206.0	87.9	102.9	149.9	88.2
Cash and cash equivalents	727.6	581.4	253.6	547.3	283.5	264.5
<b>Total current assets</b>	<b>1,872.7</b>	<b>1,440.3</b>	<b>871.3</b>	<b>1,343.2</b>	<b>1,010.3</b>	<b>694.1</b>
<b>TOTAL ASSETS</b>	<b>2,013.4</b>	<b>1,585.1</b>	<b>982.3</b>	<b>1,480.7</b>	<b>1,163.3</b>	<b>798.0</b>
<b>EQUITY AND LIABILITIES</b>						
Equity	1,415.8	1,057.4	618.9	1,122.8	725.8	435.7
<b>NON-CURRENT LIABILITIES</b>						
Non-current interest-bearing liabilities	11.7	53.2	83.3	44.7	73.7	98.4
Other non-current liabilities	5.3	-	-	-	-	-
Deferred tax liabilities	5.8	4.0	3.6	2.6	3.8	2.9
<b>Total non-current liabilities</b>	<b>22.9</b>	<b>57.2</b>	<b>86.9</b>	<b>47.3</b>	<b>77.5</b>	<b>101.3</b>
<b>CURRENT LIABILITIES</b>						
Current interest-bearing liabilities	39.7	31.2	31.9	29.3	29.9	28.7
Accounts payable	57.0	71.6	34.1	66.7	85.7	40.1
Other current liabilities	478.0	367.7	210.7	214.6	244.5	192.2
<b>Total current liabilities</b>	<b>574.8</b>	<b>470.5</b>	<b>276.6</b>	<b>310.6</b>	<b>360.1</b>	<b>261.0</b>
<b>TOTAL LIABILITIES</b>	<b>597.6</b>	<b>527.7</b>	<b>363.4</b>	<b>357.9</b>	<b>437.6</b>	<b>362.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,013.4</b>	<b>1,585.1</b>	<b>982.3</b>	<b>1,480.7</b>	<b>1,163.3</b>	<b>798.0</b>

Q3

Interim report Jul-Sep 2024

## Condensed consolidated statement of changes in equity

MSEK	30 Sep			31 Dec	
	2024	2023	2022	2023	2022
<b>Opening equity</b>	<b>1,122.8</b>	<b>725.7</b>	<b>435.7</b>	<b>725.8</b>	<b>435.7</b>
Net Profit/loss	258.6	55.3	139.0	130.6	244.5
Translation differences	3.1	7.9	16.5	-2.5	8.7
<b>Total comprehensive income</b>	<b>261.7</b>	<b>63.2</b>	<b>155.5</b>	<b>128.1</b>	<b>253.2</b>
New share issue	-	9.7	2.1	9.7	2.0
New share issue in progress	-	-	2.8	-	3.8
Sale of warrants - incentive program	-	-	0.2	-	0.4
Value of share based compensation	31.4	29.8	22.5	30.3	30.6
Merger related transactions	-	229.0	-	229.0	-
<b>Closing equity</b>	<b>1,415.8</b>	<b>1,057.4</b>	<b>618.9</b>	<b>1,122.8</b>	<b>725.8</b>

## Condensed consolidated statement of cash flows

MSEK	Q3			Jan-Sep			LTM	Full-year	
	2024	2023	2022	2024	2023	2022	23/24	2023	2022
<b>Operating activities</b>									
Profit/loss before tax	112.6	-74.0	69.3	336.4	89.3	143.0	427.3	180.2	205.9
Adjustmens for non-cash items, etc.	41.3	54.2	-1.6	55.6	74.4	8.0	75.8	94.7	30.4
Income tax paid	-11.8	-1.0	-0.9	-68.6	-5.4	-2.7	-84.2	-21.0	-11.0
<b>Cash flow from operating activities before working capital changes</b>	<b>142.2</b>	<b>-20.8</b>	<b>66.9</b>	<b>323.3</b>	<b>158.4</b>	<b>148.3</b>	<b>419.0</b>	<b>254.0</b>	<b>225.3</b>
Change in inventory	-38.1	-61.3	21.3	-134.8	-242.3	48.7	-228.2	-335.7	61.8
Change in current receivables	-16.9	6.1	-113.6	-190.3	186.4	-172.9	-74.1	302.7	-317.4
Change in current liabilities	-19.5	51.9	14.4	217.6	12.8	-30.1	98.0	-106.9	73.6
<b>Cash flow from operating activities</b>	<b>67.6</b>	<b>-24.2</b>	<b>-11.0</b>	<b>215.8</b>	<b>115.3</b>	<b>-5.9</b>	<b>214.6</b>	<b>114.1</b>	<b>43.3</b>
<b>Cash flow from investing activities</b>	<b>1.1</b>	<b>3,420.1</b>	<b>-3.4</b>	<b>-19.5</b>	<b>3,414.6</b>	<b>-14.0</b>	<b>-23.5</b>	<b>3,410.6</b>	<b>-18.8</b>
<b>Cash flow from financing activities</b>	<b>-8.0</b>	<b>-3,232.1</b>	<b>-1.0</b>	<b>-22.5</b>	<b>-3,239.6</b>	<b>-6.9</b>	<b>-42.2</b>	<b>-3,259.3</b>	<b>-17.3</b>
<b>Cash flow for the period</b>	<b>60.7</b>	<b>163.9</b>	<b>-15.4</b>	<b>173.8</b>	<b>290.3</b>	<b>-26.8</b>	<b>148.9</b>	<b>265.4</b>	<b>7.2</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>678.2</b>	<b>416.0</b>	<b>260.4</b>	<b>547.3</b>	<b>283.5</b>	<b>264.5</b>	<b>581.4</b>	<b>283.5</b>	<b>264.5</b>
Exchange rate differences in cash and cash equivalents	-11.5	1.5	8.6	6.4	7.6	15.9	-2.8	-1.6	11.7
<b>Cash and cash equivalents at the end of the period</b>	<b>727.6</b>	<b>581.4</b>	<b>253.6</b>	<b>727.6</b>	<b>581.4</b>	<b>253.6</b>	<b>727.6</b>	<b>547.3</b>	<b>283.5</b>



## Condensed Parent Company income statement

MSEK	Q3		Jan-Sep		LTM	Full-year
	2024	2023	2024	2023	23/24	2023
Net sales	289.8	168.1	881.1	650.0	615.8	976.0
Cost of sales	-46.9	-54.3	-205.0	-390.4	-137.4	-322.8
<b>Gross profit</b>	<b>242.9</b>	<b>113.8</b>	<b>676.1</b>	<b>438.5</b>	<b>890.8</b>	<b>653.1</b>
Research and development	-44.8	-32.6	-134.3	-94.7	-183.0	-143.4
Selling expenses	-46.5	-38.2	-136.6	-96.2	-182.6	-142.1
Administrative expenses	-42.1	-42.5	-119.3	-96.0	-153.9	-130.6
Transaction related expenses	-	-70.4	-	-70.4	6.7	-63.7
Other income and expenses	-10.9	-1.6	-7.0	23.9	-32.0	-1.1
<b>Operating profit/loss (EBIT)</b>	<b>98.6</b>	<b>-71.4</b>	<b>278.8</b>	<b>105.0</b>	<b>346.1</b>	<b>172.2</b>
Net financial items	-2.2	7.2	19.5	11.0	22.9	14.4
<b>Profit/loss before tax</b>	<b>96.4</b>	<b>-64.2</b>	<b>298.4</b>	<b>104.0</b>	<b>369.0</b>	<b>186.7</b>
Tax on profit for the period	-19.8	5.7	-61.6	-29.0	-111.1	-78.5
<b>Net profit/loss for the period</b>	<b>76.6</b>	<b>-58.5</b>	<b>236.8</b>	<b>75.0</b>	<b>257.9</b>	<b>108.1</b>

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

**FINANCIAL STATEMENTS**

ADDITIONAL INFORMATION

Q3

Interim report Jul-Sep 2024

## Condensed Parent Company balance sheet

MSEK	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>			
Intangible assets	5.2	7.8	7.2
Property, plant and equipment	20.2	21.5	19.7
Participation in group companies	0.3	0.3	0.3
Receivables from group companies	133.2	144.1	133.0
Other Financial assets	4.3	4.0	4.0
Deferred tax asset	49.4	47.6	47.6
<b>Total non-current assets</b>	<b>212.5</b>	<b>225.4</b>	<b>211.7</b>
Inventories	520.9	275.9	358.0
Accounts receivable	86.8	34.9	86.0
Receivables from group companies	311.1	133.6	27.6
Other current assets	45.1	122.5	70.7
Cash and cash equivalents	663.1	482.2	476.6
<b>Total current assets</b>	<b>1,626.9</b>	<b>1,049.1</b>	<b>1,018.9</b>
<b>TOTAL ASSETS</b>	<b>1,839.4</b>	<b>1,274.5</b>	<b>1,230.6</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted Equity	215.3	215.3	215.3
Non-restricted Equity	1,085.5	749.5	817.3
<b>Total Equity</b>	<b>1,300.8</b>	<b>964.8</b>	<b>1,032.6</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current liabilities to credit institutions	-	29.3	26.0
Other non-current liabilities	4.4	-	-
<b>Total non-current liabilities</b>	<b>4.4</b>	<b>29.3</b>	<b>26.0</b>
<b>CURRENT LIABILITIES</b>			
Current liabilities to credit institutions	29.3	13.0	13.0
Accounts payable	45.2	67.0	58.2
Liabilities to group companies	352.1	102.1	26.7
Other current liabilities	107.6	98.5	74.1
<b>Total current assets</b>	<b>534.2</b>	<b>280.5</b>	<b>172.0</b>
<b>TOTAL LIABILITIES</b>	<b>538.6</b>	<b>309.7</b>	<b>198.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,839.4</b>	<b>1,274.5</b>	<b>1,230.6</b>

Q3

Interim report Jul-Sep 2024

**Note 1. Accounting policies**

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

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

As of January 1, 2022, Yubico prepares its consolidated financial statements in accordance with IFRS® Accounting Standards. The Group's transition date to IFRS Accounting Standards is January 1, 2022. The transition to IFRS Accounting Standards has been recognized in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The previously published financial information for 2023 and 2022 prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3), has been restated to IFRS Accounting Standards. For further information of the transition to IFRS, see Yubico's interim report for the first quarter 2024, note 1, note 4, note 5 and "Appendix Transition to IFRS and function based statement of P/L".

The Parent Company's interim financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) chapter 9 "Interim Report" and the standard RFR 2 "Accounting for legal entities". The transition from previous application of the standard BFNAR 2012:1 (K3) to RFR 2 for 2024 had no impact on the Parent Company's income statement and balance sheet neither for the current reporting period nor for comparative figures presented. The Parent Company applies the same accounting policies as the Group with the exceptions specified in note 7 of Yubico's interim report for the first quarter 2024.

In addition to transition to IFRS Accounting Standards and RFR 2, the format for the consolidated Statement of profit or loss and the Parent Company's Income statement has been changed, from operating cost by nature to operating cost by function, i.e. Cost of sales, Research and development, Selling expenses and Administrative expenses. The change has been implemented retrospectively for 2022 and 2023. Detailed information on the restatement of comparative periods is presented in Yubico's interim report for the first quarter 2024 in Note 4 "First time adoption of IFRS and transition to function based statement of profit or loss" and in "Appendix Transition to IFRS and function based statement of P/L" for the Group and in "Appendix Transition to income statement by function – Parent Company" for the Parent Company.

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

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

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

**Correction of reported subscription sales 2022-2024 in Q2 2024**

A correction of previously reported subscription revenue was made in Q2 2024. The correction has been made retrospectively for comparability, see note 4 in the Q2 interim report for further information.

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

**FINANCIAL STATEMENTS**

ADDITIONAL INFORMATION

Q3

Interim report Jul-Sep 2024

Note 2. Net sales

SEKm	Q3			Jan-Sep			LTM	Full-year	Full-year
	2024	2023	2022	2024	2023	2022	23/24	2023	2022
Americas	394.1	293.3	322.3	1,160.0	862.3	822.5	1,499.4	1,201.6	1,155.1
EMEA	143.7	83.8	56.5	415.2	313.3	211.1	570.2	468.3	314.8
Asia Pacific	52.1	30.2	12.1	128.0	96.2	53.0	189.0	157.3	81.3
<b>Total</b>	<b>589.9</b>	<b>407.3</b>	<b>390.9</b>	<b>1,703.2</b>	<b>1,271.9</b>	<b>1,086.6</b>	<b>2,258.6</b>	<b>1,827.3</b>	<b>1,551.2</b>

MSEK	Q3			Jan-Sep			LTM	Full-year	Full-year
	2024	2023	2022	2024	2023	2022	23/24	2023	2022
Perpetual	518.7	348.3	357.7	1,515.6	1,107.3	1,005.3	1,997.4	1,589.0	1,419.9
Subscription	71.2	59.0	33.2	187.6	164.7	81.4	261.2	238.2	131.3
<b>Total</b>	<b>589.9</b>	<b>407.3</b>	<b>390.9</b>	<b>1,703.2</b>	<b>1,271.9</b>	<b>1,086.6</b>	<b>2,258.6</b>	<b>1,827.3</b>	<b>1,551.2</b>

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

Note 3. Personnel expenses for the group by function

MSEK	Q3			Jan-Sep			LTM	Full-year	
	2024	2023	2022	2024	2023	2022	23/24	2023	2022
Cost of sales	25.8	19.3	28.6	73.3	61.9	70.0	97.1	85.7	92.3
Research and development	76.1	62.3	51.8	216.2	187.4	152.8	279.2	250.5	211.2
Selling expenses	146.0	117.3	104.8	426.3	323.1	294.8	569.5	466.3	392.4
Administrative expenses	46.4	57.8	30.6	131.9	131.6	109.1	169.6	169.3	138.9
<b>Total</b>	<b>294.4</b>	<b>256.7</b>	<b>215.9</b>	<b>847.7</b>	<b>704.0</b>	<b>626.8</b>	<b>1,115.4</b>	<b>971.7</b>	<b>834.8</b>

## Quarterly figures

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

MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net sales	589.9	614.4	498.9	555.3	407.3	450.8	413.8	464.6	390.9
Net sales growth (%)	44.8	36.3	20.6	19.5	4.2	23.1	25.6	51.2	117.3
Net sales growth (adjusted for change in foreign currency) (%)	49.0	34.7	20.6	18.0	1.6	16.1	16.1	33.2	87.8
Subscription sales	71.2	59.8	56.5	73.9	58.5	58.5	47.2	49.9	33.2
Subscription sales of net sales (%)	12.1	9.7	11.3	13.3	14.4	13.0	11.4	10.7	8.5
Gross profit	478.0	493.4	402.4	432.1	333.2	363.0	330.2	358.0	302.1
Adjusted operating profit (EBIT)	110.7	130.8	85.1	84.2	16.1	97.3	68.3	62.7	70.5
Operating profit (EBIT)	110.7	130.8	85.1	90.9	-77.7	97.3	68.3	62.7	70.5
Net profit/loss for the period	81.2	103.6	73.8	75.3	-70.7	75.2	50.8	105.5	68.2
Gross margin (%)	81.0	80.3	80.7	77.8	81.8	80.5	79.8	77.1	77.3
Adjusted EBIT margin (%)	18.8	21.3	17.0	15.2	4.0	21.6	16.5	13.5	18.0
EBIT margin (%)	18.8	21.3	17.0	16.4	-19.1	21.6	16.5	13.5	18.0
Net cash <sup>1</sup>	676.1	618.5	510.8	473.3	496.9	323.9	345.5	180.0	138.5
Bookings	609.7	672.6	578.9	684.1	399.6	406.4	350.0	372.9	334.7
Bookings growth (%)	52.6	65.5	65.4	83.5	19.4	-29.0	14.9	11.7	40.0
Bookings growth (adjusted for change in foreign currency) (%)	58.5	62.8	65.9	83.2	19.8	-34.9	3.0	-12.0	10.0
Subscription bookings	89.3	142.2	104.1	129.2	57.9	60.0	27.0	64.1	61.3
Subscription share of bookings (%)	14.6	21.1	18.0	18.9	14.5	14.8	7.7	17.2	18.3
ARR	292.7	287.6	277.1	286.5	255.3	242.8	219.3	204.7	184.8

<sup>1</sup> The definition of net cash has been updated. Previously, lease liabilities were excluded from the calculation, but under the new definition lease liabilities are included. Comparative periods have been recalculated for comparability.



## Alternative performance measures

Key figure	Definition	Purpose
Subscription sales	Net sales related to subscription.	Understand the magnitude of subscription revenue.
Subscription share of net sales	Subscription sales in relation to net sales.	Measure to analyze the magnitude of the subscriptions in relation to net sales
Net sales growth	Annual growth in net sales.	Used to measure the net sales growth in the company.
Net sales growth (adjusted for change in foreign currency)	Net sales growth adjusted for changes in foreign currency rates.	Used to measure comparable net sales growth excluding translation effects into foreign currency.
Gross margin	Gross profit as a percentage of net sales.	The measure is a complement to the gross profit, which only states the change in absolute figures (when different periods are compared). The gross margin is an indicator of the company's core profitability and helps assess the efficiency of the production and supply chain.
Items affecting comparability	A transaction or event that has a significant impact on the company's results and is not expected to occur regularly in the future.	The purpose of identifying and reporting items affecting comparability is to provide investors and other users of the financial reports with a clearer picture of the company's underlying performance, by distinguishing the effects of events that are not representative of normal operations.
Adjusted EBIT margin	Operating profit/loss (EBIT) in relation to net sales adjusted for items affecting comparability.	The measure is a complement to the Adjusted EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). Adjusted EBIT margin is used to provide an understanding of the group's overall profitability, adjusted for items affecting comparability.
EBIT margin	Operating profit/loss (EBIT) in relation to net sales.	The measure is a complement to the EBIT (Operating profit/loss), which only states the change in absolute figures (when different periods are compared). EBIT margin is used to provide an understanding of the group's overall profitability.
Net cash	Cash and cash equivalents less interest-bearing liabilities	Used to assess the company's ability to meet its financial obligations and level of debt.
Bookings	Total value of bookings received during the period.	Measure used to analyze the magnitude of increase in bookings.
Subscription bookings	Total value of subscription bookings received during the period.	Measure used to analyze the expected volume of future revenue related to subscription.
Subscription share of bookings	Subscription bookings in relation to total bookings.	Measure to understand the relation of subscription bookings in relation to total bookings.
Annual Recurring Revenue (ARR)	Total contract value related to subscription contracts as of the end of the reporting period, excluding one-time fees, divided by the term of the contract, translated based on the average foreign exchange rate on a rolling 12-month basis.	Management follows this measure as it is important to understand annualized revenue expected from subscribers.

# Additional information

## Reconciliation of alternative performance measures

MSEK	Q3			Jan-Sep			LTM	Full-year	
	2024	2023	2022	2024	2023	2022	23/24	2023	2022
<b>Gross profit and gross margin</b>									
Net sales	589.9	407.3	390.9	1,703.2	1,271.9	1,086.6	2,258.5	1,827.3	1,551.2
Cost of sales	-111.9	-74.1	-88.9	-329.4	-245.5	-247.5	-452.6	-368.7	-354.0
<b>Gross profit</b>	<b>478.0</b>	<b>333.2</b>	<b>302.1</b>	<b>1,373.8</b>	<b>1,026.4</b>	<b>839.1</b>	<b>1,805.9</b>	<b>1,458.6</b>	<b>1,197.2</b>
Divided by Net sales	589.9	407.3	390.9	1,703.2	1,271.9	1,086.6	2,258.5	1,827.3	1,551.2
<b>Gross margin</b>	<b>81.0%</b>	<b>81.8%</b>	<b>77.3%</b>	<b>80.7%</b>	<b>80.7%</b>	<b>77.2%</b>	<b>80.0%</b>	<b>79.8%</b>	<b>77.2%</b>
<b>Adjusted EBIT and adjusted EBIT margin</b>									
Operating profit (EBIT)	110.7	-77.7	70.5	326.5	88.2	140.7	417.4	179.1	203.4
Adjustment for items affecting comparability - transaction costs <sup>1</sup>	-	93.9	-	-	93.9	-	-6.7	87.2	-
<b>Adjusted EBIT</b>	<b>110.7</b>	<b>16.1</b>	<b>70.5</b>	<b>326.5</b>	<b>182.1</b>	<b>140.7</b>	<b>410.7</b>	<b>266.2</b>	<b>203.4</b>
Divided by Net sales	589.9	407.3	390.9	1,703.2	1,271.9	1,086.6	2,258.5	1,827.3	1,551.2
<b>Adjusted EBIT margin</b>	<b>18.8%</b>	<b>4.0%</b>	<b>18.0%</b>	<b>19.2%</b>	<b>14.3%</b>	<b>12.9%</b>	<b>18.2%</b>	<b>14.6%</b>	<b>13.1%</b>
<b>EBIT margin</b>									
Operating profit (EBIT)	110.7	-77.7	70.5	326.5	88.2	140.7	417.4	179.1	203.4
Divided by Net sales	589.9	407.3	390.9	1,703.2	1,271.9	1,086.6	2,258.5	1,827.3	1,551.2
<b>EBIT margin</b>	<b>18.8%</b>	<b>-19.1%</b>	<b>18.0%</b>	<b>19.2%</b>	<b>6.9%</b>	<b>12.9%</b>	<b>18.5%</b>	<b>9.8%</b>	<b>13.1%</b>
<b>Net sales growth (adjusted for change in foreign currency)</b>									
Total Net sales growth	182.6			431.3					
whereof change in foreign currency	-11.4			-7.7					
whereof growth adjusted for change in foreign currency	194.0			439.0					
Total Net sales growth	44.8%			33.9%					
whereof change in foreign currency	-4.2%			-0.8%					
whereof growth adjusted for change in foreign currency	49.0%			34.7%					

<sup>1</sup> Adjusted for effects from transaction costs related to the merger of ACQ and Yubico. For further information, see 2023 Annual report.

## Reconciliation of alternative performance measures

MSEK	30 Sep			31 Dec	
	2024	2023	2022	2023	2022
<b><i>Net cash</i></b>					
Cash and bank	727.6	581.4	253.6	547.3	283.5
Non-current interest-bearing liabilities	-11.7	-53.2	-83.3	-44.7	-73.7
Current interest-bearing liabilities	-39.7	-31.2	-31.9	-29.3	-29.9
<b>Net cash</b>	<b>676.1</b>	<b>496.9</b>	<b>138.5</b>	<b>473.3</b>	<b>180.0</b>

QUARTERLY SUMMARY

CEO STATEMENT

AT A GLANCE

GROUP DEVELOPMENT

OTHER INFORMATION

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Q3

Interim report Jul-Sep 2024

