



*English translation for information purposes only. In case of differences between the English translation and the Swedish original, the Swedish version shall prevail.*

## **NOTICE TO ANNUAL GENERAL MEETING OF YUBICO AB**

The Annual General Meeting of Yubico AB will be held on Tuesday May 14, 2024, at 16:00 CEST at Hotel At Six, Brunkebergstorg 6 in Stockholm, Sweden. Registration begins at 15:30 CEST.

The board of directors has resolved that shareholders may also exercise their voting right at the Annual General Meeting by postal voting pursuant to the provisions in the articles of association of Yubico.

### **RIGHT TO ATTEND AND NOTICE**

Shareholders wishing to attend the Annual General Meeting

*shall* be entered as shareholder in the share register kept by Euroclear Sweden AB on Friday May 3, 2024, and

*shall* give notice of attendance to the company no later than Tuesday May 7, 2024. Notice of attendance in person or through a representative may be given by post to Computershare AB, "Yubico AGM 2024", P.O. Box 5267, SE-102 46 Stockholm, Sweden, or by e-mail to [proxy@computershare.se](mailto:proxy@computershare.se), or by phone, +46 (0) 771 24 64 00, weekdays during 9:00 – 16:00 CEST. When giving notice, shareholders are kindly requested to provide their name, personal or corporate identity number, address and telephone number, the number of shares they hold, and, if applicable, number of assistants (maximum two).

Shareholders who wish to use the possibility of postal voting shall do that in accordance with the instructions under the heading "*Postal voting*" below. Such postal voting does not require any further notice of attendance.

### **NOMINEE-REGISTERED SHARES**

To be entitled to attend the Annual General Meeting, shareholders whose shares are nominee-registered must, in addition to giving notice of attendance to the company, register such shares in their own names so that the shareholder is recorded in the share register kept by Euroclear Sweden AB as of May 3, 2024. Such registration may be temporary (so called voting right registration) and request for such registration shall be made to the nominee in accordance with the nominee's routines in such time in advance as decided by the nominee. Voting rights registrations effected no later than May 7, 2024, will be considered in the preparation of the share register.

### **PROXY ETC.**

Shareholders who wish to attend the Annual General Meeting venue in person or through a proxy representative are entitled to bring one or two assistants. Shareholders who wish to bring assistants shall state this in connection with the notice of attendance. Shareholders represented by a proxy shall issue a signed and dated power of attorney for the proxy. If the power of attorney is issued by a legal entity, a copy of a certificate of incorporation, or if such document doesn't exist, a corresponding document shall be enclosed. In order to facilitate the registration at the Annual General Meeting, the power of attorney and certificate of incorporation and other authorization documents should be received

by the company at the address stated above no later than May 7, 2024. A proxy form is available on the company's website, <https://investors.yubico.com/en/>.

Please note that notification of participation at the Annual General Meeting must be made even if a shareholder wishes to exercise his or her voting rights at the Annual General Meeting through a representative. A submitted power of attorney is not considered as notification to the Annual General Meeting.

#### **POSTAL VOTING**

A designated form shall be used for postal voting. The form is available on Yubico's website, <https://investors.yubico.com/en/>. The postal voting form is considered as a notification of attendance at the Annual General Meeting. The completed and signed postal voting form may be sent by post to Computershare AB, "Yubico AGM 2024", P.O. Box 5267, SE-102 46 Stockholm, Sweden or by e-mail to [proxy@computershare.se](mailto:proxy@computershare.se). Completed forms must be received by Computershare no later than May 7, 2024. Shareholders who are physical persons may also cast postal votes electronically with BankID verification via a link on the company's website, <https://investors.yubico.com/en/>. Electronic votes must be cast no later than May 7, 2024. If a shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. The proxy form is available at <https://investors.yubico.com/en/>. If the power of attorney is issued by a legal entity, a copy of a certificate of incorporation, or if such document doesn't exist, a corresponding document shall be enclosed. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

## **PROPOSED AGENDA**

1. Opening of the Annual General Meeting
2. Election of chairman of the Annual General Meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to, in addition to the chairman, approve the minutes of the Annual General Meeting
5. Determination as to whether the Annual General Meeting has been duly convened
6. Approval of the agenda
7. Presentation by the CEO
8. Presentation of the annual report and the auditor's report and the consolidated financial statements and the audit report on the consolidated financial statements
9. Resolutions on:
  - a) approval of the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet;
  - b) distribution of the company's earnings in accordance with the adopted balance sheet;
  - c) discharge from liability for the directors of the board and the CEO for the financial year 2023
10. Presentation of the remuneration report for approval
11. Presentation of the nomination committee's proposals and work
12. Determination of number of directors of the board and auditors
13. Determination of remuneration to the directors of the board and the auditor
14. Election of directors and chairman of the board of directors
15. Election of auditor
16. Resolution on instruction for the nomination committee
17. Resolution on the adoption of guidelines for remuneration to senior executives
18. Resolution on long-term incentive program 2024, including resolution on
  - a) performance stock unit program,
  - b) issue of warrants, and
  - c) transfer of warrants to participants or a third party
19. Resolution on authorization for the board of directors to resolve to issue new shares
20. Closing of the Annual General Meeting

## **PROPOSED RESOLUTIONS**

### **Election of chairman of the Annual General Meeting (item 2)**

The nomination committee proposes that the chairman of the board of directors, Patrik Tigerschiöld, is elected chairman of the Annual General Meeting.

### **Distribution of the company's earnings in accordance with the adopted balance sheet (item 9 b)**

The board of directors proposes that no dividend shall be paid, and that the earnings at the disposal of the Annual General Meeting, a total of SEK 817,296,596, shall be carried forward.

### **Presentation of the remuneration report for approval (item 10)**

The board of directors proposes that the Annual General Meeting approves the report regarding remuneration to the CEO and the board of directors for the financial year 2023.

### **Determination of number of directors of the board and auditors (item 12)**

The nomination committee proposes that the board of directors shall consist of seven directors (currently six directors) for the period until the end of the next Annual General Meeting.

The nomination committee proposes that the company shall have one auditor with no deputy.

### **Determination of remuneration to the directors of the board and the auditor (item 13)**

For the period until the end of the next Annual General Meeting, the nomination committee proposes that remuneration of SEK 860,000 (previously SEK 500,000) shall be paid to the chairman of the board of directors and SEK 460,000 (previously SEK 250,000) shall be paid to each other director elected by the general meeting. Further, it is proposed that for work in the audit committee, an annual remuneration of SEK 200,000 (previously SEK 100,000) shall be paid to the chairman of the audit committee and SEK 100,000 to member of the audit committee. In addition, it is proposed that for work in the remuneration committee, an annual remuneration of SEK 100,000 shall be paid to the chairman of the remuneration committee, and SEK 50,000 to member of the remuneration committee. No remuneration shall be paid to board member who is employed by the company. The total proposed remuneration amounts to SEK 3,610,000.

The nomination committee proposes that remuneration to the auditor shall be paid in accordance with approved invoices.

### **Election of directors and chairman of the board of directors (item 14)**

The nomination committee proposes that Patrik Tigerschiöld, Stina Ehrensvärd, Gösta Johannesson, Paul Madera, Eola Änggård Runsten, and Ramanujam Shriram shall be re-elected as directors for the period until the end of the next Annual General Meeting. Further, the nomination committee proposes election of Jaya Baloo as new director.

Jaya Baloo was born in 1973. *Education:* DR. H.C., University of Twente, Netherlands and International Relations, Tufts University, Boston, USA. *Work experience:* Jaya Baloo is the CSO of Rapid7 and has been working in the field of information security with a focus on secure network architecture for over 20 years. She is the former CISO of Avast, and prior to that was CISO at KPN, the largest telecommunications carrier in the Netherlands and was the former Vice Chair of the EU Quantum flagship. *Significant assignments:* Jaya serves on boards of the NL's National Cyber Security Centre, TIIN Capital and the NOS. She is also on the faculty at Singularity University. *Own and related parties'*

*holdings in Yubico*: 0 shares. Jaya Baloo is assessed to be independent in relation to the company and the company's management and in relation to major shareholders in Yubico.

The nomination committee proposes that Patrik Tigerschiöld shall be re-elected as chairman of the board of directors.

Information about the directors proposed for re-election can be found in the annual report and on the company's website, <https://investors.yubico.com/en/>.

#### **Election of auditor (item 15)**

The nomination committee proposes that the registered accounting firm PricewaterhouseCoopers AB ("PwC") is re-elected as auditor for the period until the end of the next Annual General Meeting. The proposal of the nomination committee is in accordance with the audit committee's recommendation.

PwC has informed that if the nomination committee's proposal for auditor is adopted by the Annual General Meeting, Magnus Svensson Henryson, authorized public accountant, will continue as the auditor in charge.

#### **Resolution on instruction for the nomination committee (item 16)**

The nomination committee proposes that the Annual General Meeting resolves to adopt the following instruction for the nomination committee to be valid until the general meeting resolves to change the instruction.

##### *Introduction*

The nomination committee shall perform its duties in accordance with the Swedish Corporate Governance Code.

##### *Composition of the nomination committee, etc.*

The company shall have a nomination committee consisting of four members appointed by each of the four major shareholders in terms of votes as set out below, who wish to appoint a member. If any of the four major shareholders in terms of votes waives its right to appoint a member to the nomination committee, the next major shareholder shall be given the opportunity to appoint a member. However, no more than five additional shareholders need to be contacted, unless the chairman of the board of directors considers that there are special reasons for doing so.

The nomination committee for the next Annual General Meeting shall be constituted on the basis of the shareholders registered in the share register maintained by Euroclear as per the last banking day in September, as well as other reliable information on shareholdings provided to the company at that time.

The chairman of the board of directors shall, as soon as information on ownership as described above is available, contact a representative of each of the four major shareholders in the company, who shall then be entitled to appoint one member each to the nomination committee. The members of the nomination committee shall be announced as soon as they have been appointed. If a member is appointed by a particular shareholder, the name of the shareholder shall be stated.

The chairman of the nomination committee shall, unless the members decide otherwise, be the member representing the largest shareholder in terms of votes. The chairman shall not be a member of the board of directors of the company.

If one or more of the shareholders who appointed members of the nomination committee earlier than two months before the Annual General Meeting cease to be one of the four major shareholders in terms

of votes, members appointed by these shareholders shall vacate their seats and the shareholder or shareholders who have been added to the four major shareholders in terms of votes shall, after contacting the chairman of the nomination committee, be authorised to appoint its members.

Shareholders who have been added to the four major shareholders later than two months before the Annual General Meeting shall, instead of being part of the nomination committee, be entitled to appoint a representative who shall be co-opted to the nomination committee and thus participate without voting rights.

Shareholders who have appointed a member of the nomination committee are entitled to dismiss such member and appoint a new member. Changes in the composition of the nomination committee shall be made public as soon as they occur.

#### *The duties of the nomination committee*

The nomination committee shall present proposals to the Annual General Meeting regarding the following items:

i) election of chairman of the general meeting, ii) number of board members and auditors, iii) election of and remuneration to the chairman of the board of directors and members of the company's board of directors and, where applicable, other special committees, iv) election of and remuneration to the auditor and, where applicable, deputy auditor and v) proposals for such changes to the instruction for the nomination committee as the nomination committee has deemed appropriate. A report on the work of the nomination committee in terms of proposals and statements from the nomination committee shall be published on the company's website well in advance of the Annual General Meeting.

The company shall be informed of the nomination committee's proposal no later than six weeks before the Annual General Meeting. All information on potential new board members shall be attached to the proposal.

The mandate of the current nomination committee shall be valid until the new nomination committee is appointed in accordance with the criteria above.

#### **Resolution on the adoption of guidelines for remuneration to senior executives (item 17)**

The board of directors proposes that the Annual General Meeting resolves on guidelines for remuneration to senior executives in accordance with the below.

The guidelines shall cover members of the board of directors, the CEO and other members of the senior management in accordance with 9.9 of the Swedish Corporate Governance Code. The guidelines shall apply to remuneration agreed, and to changes made to remuneration already agreed, after the guidelines have been adopted by the Annual General Meeting on May 14, 2024. The guidelines do not apply to remuneration decided by the general meeting.

The board of directors shall have the right to decide to deviate temporarily, in whole or in part, from the guidelines if there are special reasons for doing so in an individual case and a deviation is necessary to meet the long-term interests and sustainability of the company or to ensure the financial viability of the company. Any such deviation shall be disclosed in the remuneration report to the next Annual General

Meeting. The guidelines shall apply until further notice, but at the latest until the Annual General Meeting in 2028.

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

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

*Types of remuneration etc.*

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

Fixed basic salary

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

Variable remuneration

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

Share or share price related incentive programs

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

Information regarding the company's outstanding share and share price related incentive programs is available at the company's website <https://investors.yubico.com/en/>.

#### Pension and other benefits

The terms and conditions of senior executives' pensions must be based on defined contribution pension solutions.

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

#### *Notice period and severance pay*

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

#### *Salary and conditions of employment*

In the preparation of the board of directors' proposal for these guidelines for remuneration, the salary and conditions of employment for the company's employees have been taken into account by including information on the employees' total remuneration, the components of the remuneration and the increase pace of the remuneration over time as part of the remuneration committee's and the board of directors' basis for resolution when evaluating the reasonableness of the guidelines and the limitations resulting from them.

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

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

#### *The decision process*

The board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for remuneration to senior executives as well as any deviation from the guidelines. The board shall prepare a proposal for new guidelines at least every fourth year and present the proposal for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent from the company and its executive management. In the board's work regarding remuneration related



matters, the CEO or other members of the executive management are not present in so far the questions concern their own remuneration.

*Description of changes to the guidelines etc.*

The board has not received any comments from shareholders on the existing guidelines for remuneration to senior executives. The board has made a general review of the guidelines and the board's proposal for guidelines for remuneration to senior executives largely corresponds to the existing guidelines. The updated guidelines include a possibility for variable remuneration to senior executives other than the CEO of up to 100 percent of the fixed basic salary in certain cases.

**Resolution on a long-term incentive program 2024, including resolution on a) performance stock unit program, b) issue of warrants, and c) transfer of warrants to participants or a third party (item 18)**

*Background and reasons*

Yubico has a significant footprint in the United States and Canada and approximately two-thirds of the total number of employees of the Yubico group are located in the United States and Canada, whereas approximately one-third are located in the rest of the world, including in Sweden. During 2023, the Americas region represented approximately 66 percent of Yubico's net sales, while the rest of the world represented approximately 34 percent.

The board of directors considers it to be in the best interest of the company and its shareholders to implement a long-term incentive program ("LTI 2024") based on performance stock units ("PSUs") for senior executives, key personnel and other employees<sup>1</sup> in the group, in accordance with this proposal. LTI 2024 follows the same structure as the long-term incentive program 2023 adopted at the Extraordinary General Meeting on 19 September 2023 but with different performance targets, now relating to Yubico's financial targets. The structure of LTI 2024 will allow to take into account market conditions in the key geographies where Yubico operates, while accommodating the company's wish to have a single and simple program. LTI 2024 is proposed to include up to approximately 482 senior executives, key personnel and other employees<sup>1</sup> within the company group.

The proposal has been based on the assessment of the board of directors that it is important, and in the interest of all shareholders, to create even greater participation in the group's development by senior executives, key personnel and other employees of the group. The board of directors also considers it important to be able to attract talent over time, to encourage continued employment and maintain a high employee retention level.

The board of directors' intention is to further propose similar incentive programs to be implemented on a yearly basis.

In view of the above, the board of directors proposes that the Annual General Meeting resolves to implement LTI 2024 in accordance with items (a)–(c) below.

---

<sup>1</sup> Including consultants if specifically approved by the board of directors as set out under "Administration of LTI 2024" below.

**(a) Performance stock unit program**

LTI 2024 comprises two different series:

Series 1 of LTI 2024 comprises PSUs which may be awarded to employees of the company group in the United States and Canada.

Series 2 of LTI 2024 comprises PSUs which may be awarded employees of the company group in the rest of the world, including Sweden.

The terms for the two different series are the same in all aspects, except for what is set out in item 5 below.

The following terms shall apply to LTI 2024:

1. The maximum number of PSUs that may be awarded is 700,000. Each PSU shall entitle the holder to receive one share in the company<sup>2</sup>, subject to two financial performance conditions (as described below) and continued employment within the company group. Accordingly, the maximum number of shares available to the participants under LTI 2024 shall be 700,000 (subject to recalculation in accordance with the terms of LTI 2024). On the basis of the geographical distribution of the participants, seniority levels, growth per region and other factors, the company expects that approximately 75 percent of the PSUs will be awarded under Series 1 and approximately 25 percent under Series 2. The CEO of the company will be awarded PSUs under Series 2.
2. PSUs may be awarded to current employees of the company group. The board of directors shall have the right to decide that also a person who becomes an employee with the company group after the day of the Annual General Meeting but before 31 December 2024, may be invited to participate in LTI 2024 and be awarded PSUs, if deemed favorable for the company.
3. The intention is to launch LTI 2024 and award the PSUs shortly after the Annual General Meeting. The PSUs will vest with one-third on each of three yearly vesting dates (each a "**Vesting Date**") occurring on the publication date of the company's interim report for the first quarter during 2025, 2026 and 2027, provided that the participant is still employed with the company group (with certain limited exemptions, such as if the participant's employment is terminated as a result of pension or long-term illness) on the applicable Vesting Date, and that the performance conditions have been satisfied during the relevant performance period preceding such Vesting Date, as set out below.
4. Vesting of PSUs shall be conditional upon the level of fulfilment of two financial performance conditions relating to the company's revenue growth (the "**Revenue Condition**") and EBIT margin (the "**EBIT Margin Condition**") (each a "**Performance Condition**") during performance periods corresponding to each of the financial years 2024, 2025 and 2026 or, pursuant to the catch-up mechanism, as an average for the financial years 2024–2026 (CAGR) in relation to the Revenue Condition or during 2026 in relation to the EBIT Margin Condition, as applicable. 60 percent of the PSUs that are allotted to holders shall be related to fulfillment of the Revenue Condition, and 40 percent of the PSUs that are allotted to holders shall be related to fulfillment of the EBIT Margin Condition.

---

<sup>2</sup> The company shall be entitled to require that the holder pays the quota value for each share, depending on in which manner share delivery under LTI 2024 is arranged for.

Revenue Condition:

Revenue growth during a financial year exceeding 20 percent as entry level, 25 percent as target level and 30 percent as stretch level.

EBIT Margin Condition:

EBIT margin during 2024 exceeding 15 percent as entry level, 17 percent as target level and 19 percent as stretch level. EBIT margin during 2025 exceeding 16.5 percent as entry level, 18.5 as target level and 20.5 percent as stretch level. EBIT margin during 2026 exceeding 18 percent as entry level, 20 percent as target level and 22 percent as stretch level.

A linear interpolation shall be applied between the entry level and the stretch level, whereby the entry level constitutes the minimum level which must be reached in order to enable vesting of PSUs, subject to the catch-up mechanism. If the entry level is reached, vesting of 80 percent of the relevant PSUs shall occur. If the target level is reached, vesting of 100 percent of the relevant PSUs shall occur.

Catch-up:

Revenue Condition: To satisfy the Revenue Condition, participants shall be entitled to apply average performance during 2024–2026 (CAGR), instead of annualized performance for each of 2024, 2025 and 2026, whereby the entry level for the Revenue Condition (CAGR) is 20 percent, the target level is 25 percent and the stretch level is 30 percent.

EBIT Margin Condition: To satisfy the EBIT Margin Condition, participants shall be entitled to apply the EBIT margin during 2026, instead of annualized performance for each of 2024, 2025 and 2026, whereby the entry level for the EBIT Margin Condition (2026) is 18 percent, the target level is 20 percent and the stretch level is 22 percent.

Catch-up shall only be available to a participant who is still employed within the company group on the date of publication of the company's interim report for the first quarter during 2027. The maximum number of vested PSUs will not exceed 100 percent of the total number of PSUs awarded.

Over-achievement:

If the stretch level is reached, vesting of 120 percent of the relevant PSUs shall occur, provided that vesting exceeding 100 percent shall only occur to the extent there is an underachievement of the other Performance Condition for the same performance period, or for all of 2024–2026 or 2026 if the catch-up mechanism is applied in relation to the Revenue Condition or EBIT Margin Condition respectively, as applicable, such that the level of fulfilment of both Performance Conditions during the relevant period as an average may never exceed 100 percent.

5. Each vested PSU of Series 1 will entitle the holder to receive pay-out of one share in the company subject to the terms of LTI 2024 as soon as practicable after each Vesting Date. Each vested PSU of Series 2 will entitle the holder to receive pay-out of one share in the company subject to the terms of LTI 2024 as soon as practicable after the Vesting Date in 2027. Any PSUs that have not been vested at the Vesting Dates (and that are not subject to catch-up) will lapse and be deemed forfeited without consideration.
6. The board of directors shall be entitled to recalculate the maximum number of shares (per PSU and in total) in the event of intervening rights issues, bonus issues, share splits, reverse share

splits, or similar events, with the aim to achieve the same economic intention of the awards for the participants.

7. In the event of a change in control of the company meaning a party, or several parties acting in concert, acquiring shares representing more than 90 percent of the votes in the company or a direct or indirect sale, transfer or other disposal of all or substantially all of the business and assets, any unvested PSUs shall vest pro rata to time and performance achieved at the board of directors' discretion through the change in control and be settled in accordance with the terms of LTI 2024.
8. The PSUs will have no voting rights, the number of PSUs will not be increased and no cash will be paid as dividend equivalent for vested PSUs.
9. The maximum dilution for current shareholders due to LTI 2024, including warrants issued in accordance with item (b) below, is 0.8 percent (0.9 percent including warrants issued to cover any costs (including taxes and social security costs)) of the current total number of outstanding shares in the company upon full vesting and full exercise of warrants under LTI 2024. The program is expected to result in certain costs, mainly related to accounting (IFRS2) salary costs and social security costs. If 100 percent of the PSUs in LTI 2024 will be vested, the salary costs (IFRS2), which is a non-cash item, for the PSUs are estimated to amount to approximately SEK 42.3 million on an annual basis, based on the closing price of Yubico's share as of 5 April 2024. Social security costs are estimated to amount to approximately SEK 7.6 million on an annual basis, assuming a share price increase of 100 percent at the time of pay-out of shares, and SEK 5.7 million assuming a 50 percent share price increase. The salary costs will be recognized during the term of LTI 2024 based on the changes in vesting of the PSUs. The total social security costs during the term of LTI 2024 will depend on the geographical split of the participants, the number of PSUs that will be vested and the value of the benefit that the participant will receive. All calculations above are indicative and only serves to illustrate the costs that LTI 2024 can entail.
10. To secure the delivery of shares to participants in LTI 2024 and to cover any costs (including taxes and social security costs), the board of directors' proposal is, as a preferred alternative, that the Annual General Meeting resolves on issue of warrants and transfer of warrants to the participants or to a third party in accordance with items (b) and (c) below. The board of directors considers this alternative to be the most cost efficient and flexible hedging measure. In the event that the proposals for issue and transfer of warrants in accordance with items (b) and (c) below are not approved with the required majority, the board of directors instead proposes, as a second option, that the company can hedge its obligations of the company under LTI 2024 by entering into share swap agreements with a third party, whereby the third party in its own name shall be entitled to acquire and transfer shares (including to the participants) in accordance with the terms and conditions of LTI 2024, without the use of warrants. The annual interest cost for such a share swap, covering the full LTI 2024, is estimated at approximately SEK 4.5 million based on the current interest levels.
11. LTI 2024 will be governed by Swedish law.

*Allocation principles, etc.*

The participants' right to be allotted PSUs is differentiated between employees with reference to inter alia role and responsibility in the group. The participants have on this basis been divided into three different categories:

**Category A** (not more than 12 persons): Members of the senior management.

**Category B** (not more than 90 persons): Management and employees whose performance has a direct impact on the financial performance of the company.

**Category C** (not more than 380 persons): Other employees.

<b>Category</b>	<b>Maximum number of PSUs for a participant</b>	<b>Maximum total number of PSUs within the category</b>
<b>Category A</b>	130,000	300,000
<b>Category B</b>	7,000	200,000
<b>Category C</b>	3,500	200,000
<b>Total maximum Category A, B and C</b>	N/A	700,000

*Administration of LTI 2024*

The board of directors shall be responsible for the design, interpretation and management of PSUs awarded under LTI 2024 within the framework of the above-mentioned principal terms and conditions. In the event that a participant cannot, after a Vesting Date, receive pay-out of shares from vested PSUs under applicable laws or regulations or at reasonable cost or with reasonable administrative effort by the participant or the company, the board of directors shall have the right to decide to settle the PSUs wholly or partly in cash. The board of directors shall also have the right to in its own discretion decide that shares and/or cash shall be withheld by the company in order to cover or facilitate the payment of applicable taxes. The board of directors may allow consultants to participate in LTI 2024 if the requirements of LTI 2024 can be appropriately applied in relation to such person.

The board of directors also has the right to adjust detailed terms and conditions of PSUs in the event of significant changes within the group or its operational environment that entail that the framework established for PSUs under LTI 2024 is no longer reasonable or appropriate, provided that such changes are not more favorable to the participant than the terms and conditions set forth in this proposal. The board of directors shall review whether the outcome of LTI 2024 is reasonable considering the company's financial results and position and other circumstances, such as social, ethics and compliance factors, and, if not, determine to reduce the allotment under LTI 2024 to a lower level that is deemed appropriate by the board of directors.

*Specific motivation*

According to the Remuneration Rules (Rules on Remuneration of the Board and Executive Management and on Incentive Programmes) 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. PSUs of Series 1, which are held by participants in the United States and Canada, may entitle to pay-out of shares under certain conditions already after approximately one year. 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 United States and Canada and to meet the requirements of international tech talent which is instrumental for the company's future success and development.

#### *Preparation*

LTI 2024 has been prepared by the remuneration committee and adopted by the board of directors of Yubico.

#### **(b) Issue of warrants**

To secure the delivery of shares pursuant to LTI 2024 and to cover any costs (including taxes and social security costs), the board of directors proposes that the company, deviating from the shareholders' preferential rights, issues a maximum of 762,598 warrants, entitling to subscription of new shares in the company as follows.

1. The warrants shall be issued free of charge. Each warrant shall entitle to subscription of one share in the company, thus, the share capital will increase by maximum SEK 1,906,495 after full exercise of the warrants.
2. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted to the company.
3. Subscription of the warrants shall take place within four weeks from the date of the Annual General Meeting. The board of directors shall have right to extend the subscription period.
4. The warrants may be exercised for subscription of shares in the company between 1 April 2025 and 31 August 2027.
5. Each warrant entitles to subscription of one share in the company at a subscription price corresponding to the share's quota value.
6. The reason for the deviation from the shareholders' preferential rights is that the issue of warrants secures the company's ability to deliver shares to the participants in LTI 2024 and to cover any costs (including taxes and social security costs).
7. The newly issued shares shall entitle to dividend for the first time on the record date that occurs immediately after the new shares have been registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) and been recorded in the share register maintained by Euroclear Sweden AB.
8. The board of directors, or the person who the board of directors may appoint, shall be authorized to make the adjustments as may be required in connection with registration with the Swedish Companies Registration Office.

The complete terms and conditions for the warrants of series 2024/2027 will be made available not later than three weeks prior to the Annual General Meeting.

#### **(c) Transfer of warrants to the participants or a third party**

The board of directors further proposes that the company may transfer the warrants issued under item b) above (i) to the participants or to a designated third party, for the purpose of delivering shares to the

participants in accordance with the terms and conditions of LTI 2024, including to a designated third party under a share swap arrangement, and (ii) at a price equal to the fair market value of the warrants using a customary valuation method to a designated third party for the purpose of covering any costs (including taxes and social security costs) under LTI 2024.

### **Resolution on authorization for the board of directors to resolve to issue new shares (item 19)**

The board of directors proposes that the Annual General Meeting resolves on authorization for the board of directors to resolve on a new issue in accordance with the following.

The board of directors shall be authorized to resolve to issue new shares in the company on one or several occasions for the period up to the next Annual General Meeting, to the extent that such new issue can be made without amending the articles of association. An issue may be made with or without deviation from the shareholders' preferential rights. Based on the authorization, the board of directors may resolve to issue a number of new shares corresponding to a maximum of ten percent of the total number of outstanding shares in the company at the time of the Annual General Meeting.

The board of directors shall be authorized to resolve on issue where payment is made in cash, by contribution in kind or by way of set-off. A cash issue or issue by way of set-off that takes place with deviation from the shareholders' preferential rights shall be in line with market terms.

The purpose of the authorization and the reasons for any deviation from the shareholders' preferential rights are to be able to use the company's share as means of payment in connection with potential acquisitions, or to use the issue of shares to finance potential acquisitions, or enable other investments to meet the company's strategic goals.

### **SPECIAL MAJORITY REQUIREMENTS**

A resolution by the Annual General Meeting under item 18 (b) and (c) shall be conditional upon the Annual General Meeting resolving to establish LTI 2024 in accordance with the board of directors' proposal under item 18 (a). The proposals under item 18 (b) and (c) constitutes a combined proposal, which shall be resolved upon as one resolution, and is valid only where supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting.

A resolution by the Annual General Meeting in accordance with item 19 is valid only where supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting.

### **AUTHORIZATION**

The CEO, or anyone appointed by the CEO, shall be authorized to make the minor adjustments in the meeting's resolutions that may be required in connection with registration at the Swedish Companies Registration Office or due to other formal requirements.

### **DOCUMENTS**

Accounting documents, the auditor's statement and other documents that shall be made available pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance, will be made available, at the company and on the company's website, <https://investors.yubico.com/en/>, from no later than April 23, 2024 and will be sent immediately and free of charge for the recipient to any shareholder

who requests the documents and provide their postal or e-mail address. The documents will also be available at the Annual General Meeting.

### **NUMBER OF SHARES AND VOTES**

As of the date of this notice, the total number of shares in the company is 86,114,017 shares, corresponding to a total number of 86,114,017 votes.

### **SHAREHOLDER'S RIGHT TO REQUEST INFORMATION**

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation, the company's relationship to another group company and the consolidated financial statements. Shareholders who wish to send in questions in advance can do so in writing to Yubico AB, Att: Legal, Kungsgatan 44, SE-111 35, Stockholm, Sweden or by e-mail to [investoragm@yubico.com](mailto:investoragm@yubico.com).

### **PERSONAL DATA PROCESSING**

For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

---

Stockholm in April 2024

**Yubico AB**

*The board of directors*