

THE BOARD OF DIRECTORS' REMUNERATION REPORT FOR 2023

INTRODUCTION

This remuneration report provides an outline of Yubico's guidelines for remuneration to senior executives (the "**remuneration guidelines**"), adopted by the Extraordinary General Meeting on 19 September 2023 to apply until further notice, but no longer than until the Annual General Meeting 2027, and which have been applied during 2023.¹ The report also provides details on the remuneration to Yubico's CEO as well as remuneration to directors of the board in 2023 that is in addition to the ordinary board fee resolved by the Annual General Meeting. Furthermore, the report contains a summary description of Yubico's existing share and share-price related incentive plans.

OVERVIEW OF THE APPLICATION OF THE REMUNERATION GUIDELINES IN 2023

The remuneration committee monitors and evaluates programs for variable remuneration, both ongoing and those that have been completed during the year, for the CEO, and the actual and expected outcome of such have been reported to the board of directors and discussed at meetings with the board of directors.

Based on the remuneration committee's evaluation of the CEO's remuneration, the board of directors has determined that the current remuneration structure and remuneration level is appropriate, reflects market practice and is competitive and suitable for achieving Yubico's targets. Both the remuneration committee and the auditor have, after evaluation, concluded that Yubico has complied with current remuneration guidelines and no deviations or derogations from the remuneration guidelines or from the decision-making process, that according to the remuneration guidelines must be applied to determine remuneration, have been made during 2023².

The remuneration guidelines do not currently contain any provisions on the right to reclaim remuneration, so-called clawback provisions, and the board of directors has made the assessment that such provisions are not currently justified. After monitoring and evaluating Yubico's programs for variable remuneration, how the remuneration guidelines have been applied, and after evaluating the current remuneration structures and remuneration levels in Yubico, the board of directors has decided that the remuneration guidelines shall be updated and has proposed new remuneration guidelines to the Annual General Meeting 2024.

According to Yubico's remuneration guidelines, remuneration to senior executives must be adapted to market conditions and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition to the remuneration covered by the remuneration guidelines, the Annual General Meeting of Yubico may decide on the implementation of long-term share-based incentive plans and on remuneration to the board of directors.

¹ Yubico was listed on Nasdaq First North Growth Market on 20 September 2023, following completion of the merger with ACQ Bure AB ("**ACQ**").

² The current remuneration guidelines took effect on 20 September 2023. Before completion of the merger with ACQ, Henrik Blomquist was the CEO of ACQ. Henrik Blomquist did not receive any remuneration from ACQ as he served on a consultancy basis.

Total remuneration to the CEO and relevant board members

The table below sets out the total remuneration (SEK) paid to Yubico's CEO during 2023 and to directors of the board who have received remuneration in addition to the ordinary board fee resolved by the general meeting.

Name, position (during the start/end of the period)	Financial year	1 Fixed remuneration		2	3	4	5	6
		Base salary (SEK)	Other benefits (SEK)	Variable remuneration - One-year variable (SEK)	Extra- ordinary items (SEK)	Pension expenses (SEK)	Total remuneration (SEK)	Proportion of fixed and variable remuneration
Mattias Danielsson (CEO)	2023	4,006,036	-	350,000	-	639,504	4,995,540	92% fixed
Stina Ehrensward (former CEO)	2023	366,814	-	79,994	-	-	446,808	82% fixed
Stina Ehrensward (additional remuneration)	2023	1,778,959	-	300,000	-	399,222	2,478,181	86% fixed

Henrik Blomquist held the position as CEO for ACQ before the merger but did not receive any remuneration from the company as he was serving on a consultancy basis. Henrik Blomquist is therefore not included in the table above.

Stina Ehrensward was the CEO for the Yubico group up to mid of February 2023, when Mattias Danielsson, Managing Director of Yubico AB, also took on the role as CEO for the group. After Stina resigned, she has continued to work for the company in the role as Evangelist and has continued to receive remuneration from the company. The remuneration to Mattias Danielsson is included for the full year 2023 in this report. The remuneration to Stina Ehrensward is split into remuneration in her role as CEO and remuneration in her role as Evangelist, as she was on the board of Yubico AB before the merger.

Application of performance criteria

According to the company's guidelines for remuneration, 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.

The performance criteria for variable cash remuneration to the CEO Mattias Danielsson in 2023 has been based on order bookings for the year. Mattias Danielsson is considered to have met the performance criteria to 70%.

Outstanding share and share-price related incentive plans

LTI 2023

The Extraordinary General Meeting on 19 September 2023 (the “**EGM**”) resolved, in accordance with the board of directors' proposal, to implement a three-year long-term incentive program for 2023 (“**LTI 2023**”). LTI 2023 is based on performance stock units (“**PSUs**”) and includes 356 senior executives, key personnel, and other employees within the Yubico group.

The number of PSUs awarded under LTI 2023 is 698,298. Yubico's CEO, Mattias Danielsson, has been awarded 32,000 PSUs. Each vested PSU shall entitle the holder to receive one share in the company (or, depending on in which manner share delivery under LTI 2023 is arranged for, subscription of one share at quota value). The PSUs will vest with one-third on each of three yearly vesting dates, following shortly after publication of the company's interim report for the third quarter during 2024, 2025 and 2026, provided that the participant is still employed with the Yubico 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 a TSR performance condition is fulfilled. In order to secure share delivery to the holders of PSUs and to cover any costs (including taxes and social security costs), the EGM resolved to issue 762,598 warrants, entitling to subscription of new shares in the company.

The maximum dilution for current shareholders due to LTI 2023 is 0.80% (0.87% including warrants issued to cover any costs) of the current total number of outstanding shares in the company upon full vesting and full exercise of warrants under LTI 2023.

Additional information on outstanding share and share price-related incentive plans can be found in note 6 in the Annual Report for 2023, available at Yubico's website, <https://investors.yubico.com/en/investors/>.

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND YUBICO'S PERFORMANCE

Change of remuneration and company performance over the last reported financial year (RFY)

Since Yubico has been listed from September 2023, the information in the table covers 2023 and represents the actual remuneration and operating profit instead of comparative information. From 2024 the information will be presented as comparison between 2024 and 2023 and so on.

	Information regarding 2023
Remuneration	
CEO ³	MSEK 5,4
The company's performance	
Operating profit/loss (EBIT)	MSEK 194,5
Average remuneration on a full-time equivalent basis of employees (excluding members of the executive management)	
Per employee in the company	MSEK 2,1

³ Includes remuneration to Mattias Danielsson for 2023 and Stina Ehrensward for 1.5 months in her role as CEO up to mid February 2023.

ADDITIONAL INFORMATION IS AVAILABLE IN THE 2023 ANNUAL REPORT OR AT YUBICO'S WEBSITE

Yubico's remuneration guidelines, which were adopted at the Extraordinary General Meeting on 19 September 2023, are available on Yubico's website <https://investors.yubico.com/en/investors/>. Yubico's website also contains a statement by the auditor on whether Yubico have complied with the adopted guidelines.

Further information on Yubico's remuneration during 2023 that is not covered by this report is available in the Annual Report for 2023. The information can be found at:

Page 33	The remuneration committee's work during 2023.
Note 6 on page 49-51	Such information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554), including detailed information regarding remuneration to other senior executives covered by the remuneration guidelines adopted at the Extraordinary General Meeting on 19 September 2023 and information regarding Yubico's share and share-price related incentive plans.
Note 6 on page 50	Remuneration to the board of directors.

Stockholm in April 2024

Yubico AB

The board of directors