

Corporate governance report

The objective of corporate governance is to ensure that Yubico is managed in an efficient manner to create shareholder value. This is achieved through a clear division of responsibilities between the Annual General Meeting, the Board and the executive management, as well as through clear regulations and transparent processes.

The corporate governance is based on external governing documents such as the Swedish Companies Act, the Annual Accounts Act and Nasdaq First North Growth Market Rulebook, in addition to internal guidelines. Our purpose, guiding principles, vision and Code of Conduct form the basis for internal governance systems. Internal regulations include the Articles of Association, the rules of procedure for the Board of Directors, the instruction for the CEO and several other policy documents that are updated annually.

Shareholders and the share

Yubico AB is a Swedish public limited liability company registered in Stockholm. The share is listed on Nasdaq First North Growth Market. Share capital amounts to SEK 215,285 spread over 86,114,017 shares. Each share carries one vote. At the end of 2023, Yubico had 15,261 identified shareholders. Bure Equity was the largest shareholder with 17.5 percent of capital and votes at the end of the year. More information on Yubico's share and shareholders can be found on pages 29–30.

The Annual General Meeting (AGM)

The AGM is Yubico's highest decision-making body. All shareholders have the right to participate in the AGM and to exercise their voting rights relative to their shareholdings. Rules regarding the AGM can be found in the Swedish Companies Act and the Articles

of Association. Notice to attend the AGM shall be made four to six weeks prior to the meeting through an announcement in Post och Inrikes Tidningar and in a press release published on Yubico website. Issuance of the notice shall be announced in Svenska Dagbladet. Shareholders who wish to participate in the meeting must submit an application in accordance with information in the official notice.

2023 Annual General Meeting

The AGM was held in Stockholm on April 19, 2023 and made the following resolutions:

- Adoption of the balance sheet and the profit and loss accounts
- Disposal of earnings according to the adopted balance sheet and no dividend is paid
- Discharge from liability for the Board members and the CEO
- The number of Board members elected by the general meeting shall be five with no deputy Board members
- It was resolved that Board fees shall be paid with a total of SEK 1,500,000, to be distributed with SEK 500,000 to the Chairman and with SEK 250,000 to each of the other Board members
- It was resolved that fees to the auditor shall be paid on an ongoing basis as invoices are approved
- As ACQ Bure's Board of Directors, Caroline af Ugglas, Katarina Bonde, Sarah McPhee, Eola Änggård Runsten and Patrik Tigerschiöld were re-elected. Patrik Tigerschiöld was re-elected as Board Chairman
- As Yubico's auditor the auditing firm Öhrlings Price-waterhouseCoopers AB was re-elected to serve for the period until the 2024 AGM. Magnus Svensson Henryson will continue as Auditor in Charge

- Principles for the appointment of the Nomination Committee and instructions for the Nomination Committee were approved
- Approval of the Board's remuneration report
- With reference to the transaction with Yubico AB, the Board resolved at the meeting to withdraw its proposal regarding authorization for the Board of Directors to resolve on share issue.

Extra General Meeting June 20, 2023

The EGM made the following resolutions:

- Approval of the merger between ACQ and Yubico.
- To issue a maximum of 51,759,560 new shares in ACQ as the share consideration in the merger.
- To adopt amended articles of association due to the merger where, ACQ's company name is changed to Yubico, a new business description is introduced, the limits for the share capital and the number of shares are changed to enable the share issue resolved upon, and the limits for the number of Board members are changed.
- The resolutions were conditional upon the Swedish Companies Registration Office registering the merger with Yubico and that registration takes place no later than October 31, 2023.
- To authorize the Board of Directors for the period up until the next Annual General Meeting, to resolve to issue new shares to the extent that such new issue can take place 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 ACQ including the maximum number of shares that may

be issued as share consideration according to the EGM's issue resolution above.

Extra General Meeting September 19, 2023

The EGM was held after registration of, but prior to execution of the merger between ACQ and Yubico. The EGM made the following resolutions:

- To elect Stina Ehrensvärd, Gösta Johannesson, Paul Madera, and Ramanujam Shriram as new Board members. The current Board members Caroline af Ugglas, Katarina Bonde, and Sarah McPhee leave their respective board assignment. The Board of Directors consists of Stina Ehrensvärd, Gösta Johannesson, Paul Madera, Ramanujam Shriram, Patrik Tigerschiöld, and Eola Änggård Runsten, with Patrik Tigerschiöld as Chairman of the Board.
- That the current fee levels for the Board, resolved by the Annual General Meeting on 19 April 2023, shall remain unchanged, meaning that fees shall be paid by SEK 500,000 to the Chairman of the Board and by SEK 250,000 to each of the other ordinary members of the Board. Since the Board of Directors is increased by one member and the Board may establish an audit committee, the resolution means that total fees amount to SEK 1,850,000, which is an increase of SEK 350,000. For work in the audit committee, if such committee is established, a fee of SEK 100,000 shall be paid to the Chairman of the committee. The fee levels are based on a customary mandate period of approximately twelve months and is valid from the day the Board member takes office as Board member and for the period until the end of the next Annual General Meeting.
- To implement a long-term incentive program for 2023 ("LTI 2023"). LTI 2023 is based on performance stock units ("PSUs") and includes up to approximately

440 senior executives, key personnel and other employees within Yubico.

2024 Annual General Meeting

The Annual General Meeting will be held on May 14, 2024, in Stockholm.

Nomination Committee

The Nomination Committee represents the shareholders. Its task, ahead of the AGM, is to produce proposals regarding election of the Chairman of the meeting; decisions on the number of Board members; election of and decisions on fees to Board members, the Chairman of the Board and auditor; election of and decisions on fees to members pertaining to other special committees or councils that the AGM may resolve on appointing; and proposals for principles on appointing a Nomination Committee for resolution by the AGM. In accordance with the adopted instructions by the AGM 4 May 2023, the Chairman of the Board shall, no later than at the end of the third quarter of each year, ensure that Yubico's three largest shareholders or ownership groups, in terms of voting rights, are invited to nominate their own representative to the nomination committee. The determination of voting rights is based on Euroclear Sweden's shareholder list (owner-grouped) and other available owner statistics as of the last banking day in August, or any other documentation that shareholders or ownership groups at this time report as evidence of their shareholding. If one or more shareholders decline to nominate a member to the nomination committee, one or more additional shareholder(s) in subsequent order of ownership shall be offered the opportunity to nominate a member to the nomination committee. However, no more than five additional shareholders need be contacted, unless the Chairman of the Board finds that there are special reasons for doing so.

The composition of the nomination committee shall be made public as soon as it has been appointed.

The Nomination Committee's proposals shall be published on the Yubico's website well in advance of the annual general meeting. The annual evaluation of the Board's work is presented to the Nomination Committee and form the basis for its work in proposing Board members. The intention is to have an appropriate Board composition, which shall be characterized by versatility and breadth including age, gender, education, background and experience. The Board of Directors is presented on page 35.

The Nomination Committee for the 2024 AGM consists of Carsten Browall, appointed by Bure Equity AB, Patricia Hedelius, appointed by AMF Tjänstepension och Fonder and Stina Ehrensverd, representing herself.

Board of Directors

The Board of Directors has overall responsibility for Yubico's organization and management. The Board monitors operations, ensures a suitable organization, and establishes guidelines for internal control. The Board establishes strategies and goals and makes decisions on major investments. The CEO is appointed by the Board and is responsible for ongoing administration. The responsibilities of the Board are governed by the Swedish Companies Act and in the rules of procedure. Division of labor between the Board and the CEO is established through written instructions.

The Chair of the Board represents the Board externally as well as internally within Yubico. The Chair shall organize and lead the work of the Board, and ensure that the work is done efficiently and in accordance with applicable legislation and regulations. The Chair shall ensure that board meetings are held when necessary, that the Board's work is evaluated annually and that the Board's decisions are implemented effectively.

The Board held 22 meetings in 2023. In addition to the standard agenda, focus has been the merger

transaction between ACQ Bure and Yubico and strategy going forward.

The Board of Directors' committees

In connection with the listing on Nasdaq First North Growth Market in September 19, 2023, the Board established an audit committee and a remuneration committee. The committees are preparatory bodies of the Board.

Remuneration committee

The tasks of the remuneration committee include the preparation of proposals on remuneration principles, remunerations, and other employment terms for the executive management. The remuneration committee shall also monitor and evaluate any programs for variable remuneration for the executive management, the application of the guidelines for remuneration to the executive management adopted by the general meeting, as applicable, as well as the current remuneration structures and remuneration levels in Yubico. The remuneration committee has consisted of Patrik Tigerschiöld (Chairman) and Paul Madera.

Audit committee

The main tasks of the audit committee is to, without otherwise affecting the Board's responsibilities and duties, ensure that a satisfactory level of control over risk management, internal control, accounting and financial reporting exists and ensure that Yubico's financial reporting is prepared in accordance with laws, other relevant regulations and applicable accounting standards. The committee shall ensure a maintained, ongoing contact with the external auditor, review the performance and evaluate the work of the external auditor and make recommendations to the nomination committee for the appointment, reappointment or termination of appointment of the external auditor. The committee shall also review and assess the external auditor's independence and objectivity towards Yubico and pay particular attention to

whether the auditor provides and is allowed to provide Yubico with services other than auditing. The committee shall inform the Board of the results of the external audit, in what way the audit contributed to the reliability of the financial reports and what function the committee have had. The audit committee has consisted of Eola Änggård Runsten (Chairman) and Gösta Johannesson.

Evaluation of Board

The Board's work is evaluated annually. The evaluation is done by external evaluation or self-assessment. The objective is to develop, set targets for, and measure the work of the Board, but also to provide the Nomination Committee a basis for the task of preparing proposals on Board appointments to the upcoming AGM. The Chairman of the Board is responsible for the evaluation. In 2023 the evaluation was conducted by a third party and concluded in the Board meeting in February 2024.

The CEO

The CEO is subordinated to the Board and is responsible for the everyday management and operations of Yubico pursuant to the Swedish Companies Act and the rules of procedure for the Board. The division of work between the Board and the CEO is set out in the rules of procedure for the Board and the CEO's instructions. Matters that in terms of the scope and nature of Yubico's operations are of unusual kind or of great importance do not fall under the definition of everyday management. The CEO shall prepare necessary information and supporting documents prior to Board meetings and, if instructed by the Chair of the Board, convene the Board. The CEO shall ensure that the board members continuously receive such information that is required in order to assess Yubico's and the group's financial situation and the development. The CEO and the other members of the executive management are presented on pages 36–37.

Remuneration to Board of Directors, CEO and executive management team

Remuneration to the Board of Directors

Fees and other remuneration to the members of the Board, including the Chair of the Board, are resolved by the general meeting. See further details above, AGM 2023 and EGM September 2023.

The Board members are not entitled to any benefits following resignation of their board assignments.

Guidelines for remuneration to the CEO and executive management

At the EGM that was held on September 19, 2023, it was decided to adopt guidelines for remuneration to the CEO and executive management team. A successful implementation of Yubico's business strategy and the safeguarding of Yubico's long-term interests, including its sustainability and gender equality, requires that Yubico can recruit and retain qualified employees. This applies in particular with regard to the fact that Yubico is expected to have a significant part of its operations in the US. Yubico shall therefore apply market based and competitive remuneration levels and terms of employment in order to be able to recruit and retain a management team with high competence and a capacity to achieve set goals. The types of remuneration shall motivate senior executives to do their outmost to safeguard the shareholders' interests. They should also be simple, long-term and measurable. The remuneration and other terms of employment to senior executives shall be in line with market conditions. The total remuneration may consist of basic salary, variable remuneration, pensions and various other benefits.

The most recently adopted guidelines for remuneration are published on Yubico's website. The Board has prepared a remuneration report that will be presented at the 2024 AGM and published on Yubico's website.

Long-term incentive program

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

The EGM held on September 19, 2023, resolved, in accordance with the Board's proposal, to implement a long-term incentive program for 2023 ("LTI 2023"). LTI 2023 is based on performance stock units ("PSUs") and includes up to approximately 440 senior executives, key personnel, and other employees within Yubico Group. See further information on page 32.

External audit

The auditor is appointed by the AGM to review Yubico's annual financial statements and the consolidated accounts, as well as the Board's and CEO's administration. Audits are conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. The auditor meets with the Audit Committee on an ongoing basis and with the entire Board annually. The auditor submits the Auditor's report to shareholders at the AGM. In 2023, the auditor performed, in addition to the audit, a summary review of the second quarter report and reviews related to the prospect connected to the listing of the merged company on Nasdaq First North Growth Market. Fees to the auditor are paid on an ongoing basis. Refer to Note 5 for information on auditor remuneration.

Internal control of financial reporting

The Board's responsibilities regarding the internal control are regulated in the Swedish Companies Act and the Annual Accounts Act. The responsibility and duties of the Board cannot be transferred to any other party. The Board's duties include ensuring that there is an effective system for follow-up and control of Yubico's operations. The Board must also stay

informed of Yubico's internal control procedures and ensure that the internal control is evaluated.

Yubico's internal control regarding the financial reporting is designed to manage risks and ensure a high level of reliability in the processes around the preparation of the financial reports and to ensure compliance with the applicable reporting requirements and other requirements for Yubico as a listed company.

Control environment and control activities

The control environment consists of a suitable organization, decision-making procedures, authorization and responsibilities, as expressed in policies and guidelines. Common values provide consensus with the intention of strengthening internal control. Yubico's Code of Conduct describes the approach that employees are expected to maintain in matters relating to business ethics and social issues. Examples of steering documents include the rules of procedure for the Board and its committees, the CEO instruction issued by the Board, the delegation of authority with principles, Code of Conduct, and insider and communication policies. The Group's finance organization is centralized and handling all group companies in the same ERP system. Follow-up of earnings and balances are made monthly against budget and forecast. Clear documentation via policies and instructions together with recurrent follow-ups and regular discussions with the auditors ensure continuous efforts to improve these processes.

Risk assessment

Included in risk assessment is the identification and evaluation of the risk for material misstatements in accounting and reporting and the risks of irregularities and fraud. When assessing risks that affect internal control as it relates to financial reporting, the evaluation is based on likelihood and impact. Critical processes are evaluated with respect to their efficiency and risk. During 2023 risk assessment

has been focusing on the monthly closing and financial reporting processes.

Information and communication

Yubico has routines, essential policies and instructions, that have been designed to ensure that the financial reporting is correct, updated and communicated on an ongoing basis. There are both formal and informal information channels to the Board for essential information from the executive management, including information regarding financial position and results on a monthly basis. Other vital information regarding for example ongoing or future investments, key administration matters and potential key risks will be reported to the Board upon occurrence.

For external communication, there are guidelines set out in the Communication as well as the Insider Policy that ensure that Yubico meets the requirements for correct information to the market.