

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, Nasdaq Nordic Main Market Rulebook, and the Swedish Corporate Governance Code (the Code) in addition to internal guidelines. Yubico has not deviated from the Code in 2024. 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 Stockholm. Share capital amounts to SEK 215,664,295 spread over 86,265,718 shares. Each share carries one vote. At the end of 2024, Yubico had 21,145 identified shareholders. Bure Equity was the largest shareholder with 17.4 percent of capital and votes at the end of the year. More information on Yubico’s share and shareholders can be found on pages 34–36.

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.

2024 Annual General Meeting

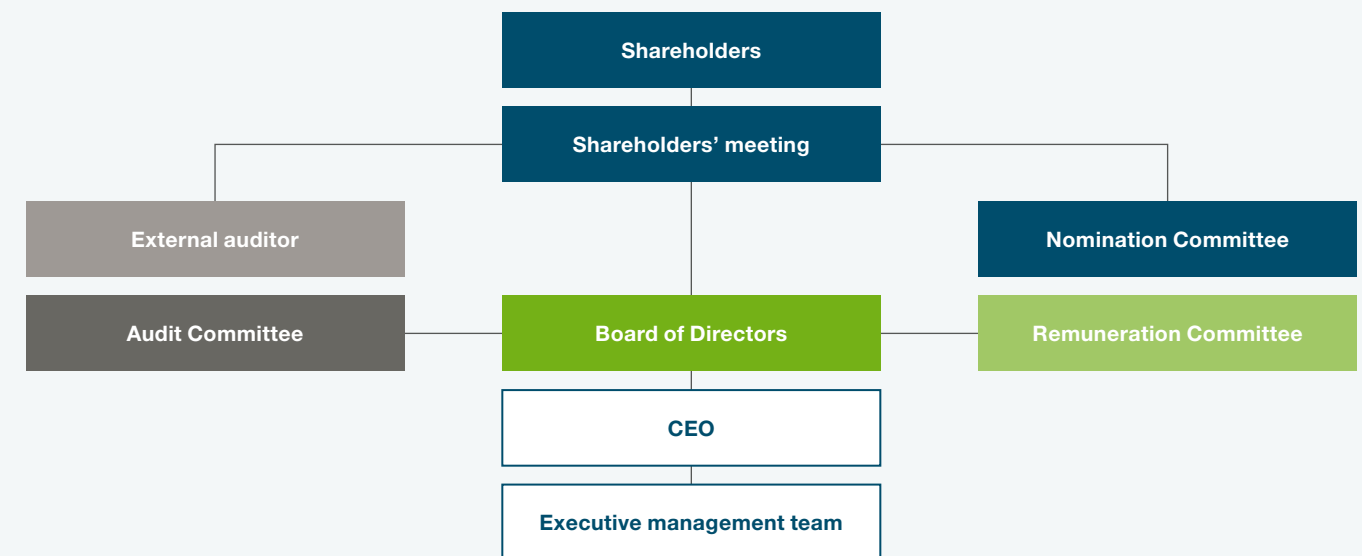
The AGM was held in Stockholm on May 14, 2024 and made the following resolutions:

- 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.
- Approval of the Board’s remuneration report.
- The number of Board members elected by the general meeting shall be seven with no deputy Board members.
- It was resolved that Board fees shall be paid with a total of SEK 3,610,000, to be distributed with SEK 860,000 to the Chairman and with SEK 460,000 to each of the other Board members. In addition, SEK 200,000 shall be allocated as remuneration to the Chair of the Audit Committee, SEK 100,000 to each of the other members of the Audit Committee, SEK 100,000 to the Chair of the Remuneration Committee, and SEK 50,000 to each of the other members of the Remuneration Committee. No remuneration shall be paid to a board member who is employed by the company.

- It was resolved that fees to the auditor shall be paid on an ongoing basis as invoices are approved.
- As Yubico’s Board of Directors, Patrik Tigerschiöld, Stina Ehrensvärd, Gösta Johannesson, Paul Madera, Eola Änggård Runsten and Ramanujam Shriram were re-elected and Jaya Baloo was elected as new member. 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 2025 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.
- Guidelines for remuneration of senior executives were adopted.
- It was resolved to adopt a performance share program, including the issuance of warrants and the transfer of warrants to participants or a third party (LTI 2024).

Overall corporate governance structure



2025 Annual General Meeting

The Annual General Meeting will be held on May 13, 2025, 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 14 May 2024, 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 42.

The Nomination Committee for the 2025 AGM consists of Carsten Browall, appointed by Bure Equity AB, Patricia Hedelius, appointed by AMF Tjänstepension och Fonder, Stina Ehrensverd, representing herself and Oscar Bergman, appointed by Swedbank Robur Fonder.

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 proce-

cedure. 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 9 meetings in 2024. In addition to the standard agenda, focus has been the strategy going forward.

The Board of Directors' committees

The Board established an audit committee and a remuneration committee. The committees' instructions are adopted by the Board. 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

Board of Directors 2024

Name	Elected	Independent in relation to		Meeting attendance			Fees, SEK ¹⁾		
		Company and executive management	Major shareholders	Board of Directors	Audit committee	Remuneration committee	The board	Audit committee	Remuneration committee
Patrik Tigerschiöld	2023	Yes	No	9/9		5/5	725.0		62.5
Jaya Baloo	2024	Yes	Yes	6/6			287.5		
Stina Ehrensverd ²⁾	2007	No	No	9/9					
Gösta Johannesson	2017	Yes	No	9/9	5/5		381.2	62.5	
Paul Madera	2019	Yes	Yes	9/9		5/5	381.2		31.2
Ramanujam Shriram	2014	Yes	Yes	9/9			381.2		
Eola Änggård Runsten	2023	Yes	Yes	9/9	5/5		381.2	162.5	

1) The fees relate to the period January–December 2024.

2) Stina Ehrensverd is employed by the company, and therefore, no separate board fee is paid.

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 2024 the evaluation was conducted through self-assessment and concluded in the Board meeting in November 2024.

The CEO and group management team

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 has appointed an executive management and an extended leadership team to support managing Yubico's operations. The CEO and other members of the executive management are presented on page 43.

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 2024.

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 AGM that was held on May 14, 2024, 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 utmost 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 2025 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 AGM held on May 14, 2024, resolved, in accordance with the Board's proposal, to implement a long-term incentive program for 2024 ("LTI 2024"). The program is based on performance share units ("PSUs") and includes 424 senior executives, key individuals, and other employees within the Yubico Group. In 2023, a long-term incentive program ("LTI 2023") was introduced, which is also based on performance stock units ("PSUs") and includes 336 senior executives, key personnel, and other employees within Yubico Group. See further information on pages 34-35.

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 2024, the auditor performed, in addition

to the audit, a summary review of the third quarter report and reviews related to Yubico changing listing from Nasdaq First North Growth Market to Nasdaq Stockholm. Fees to the auditor are paid on an ongoing basis. Refer to Note 7 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, the Annual Accounts Act and the Swedish Corporate Governance Code. 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, insider and communication policies, risk policy and internal control policy. The Group's finance organization is centralized and handling all group companies in the same ERP system. Follow-up of earnings, balances and cashflow 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 2024, extensive work has been carried out to formalize Yubico's internal controls and risk management based on COSO's five components: control environment, risk assessment, control activities, information and communication, and monitoring. An annual evaluation and update are reported back to the Audit Committee and the Board of Directors.

Internal audit

Based on the risk assessment and design of control activities described above, which include internal control reporting and its follow-up, the Board has decided not to establish a separate internal audit function. This is evaluated annually.

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.

The external financial reporting is published in accordance with applicable regulations. The Board approves the Group's annual and sustainability report and year-end report, as well as issues quarterly reports.

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.

Internal communication channels include, among other things, the intranet and chat tools. Employees receive annual training on Yubico's policies through e-learning and other means for tracking implementation.

Yearly Board activities

Fourth quarter

- Interim report (Q3)
- Full year forecast (FY3)
- Meeting with the auditor
- Audit report full year
- Assessment of internal control, incl. internal audit function
- Evaluation of the board
- Evaluation of the CEO and the executive management
- Budget for the next year

Third quarter

- Interim report (Q2)
- Full year forecast (FY2)
- Strategy

Second quarter

- Meeting with the auditor
- Audit report
- Annual report incl. governance and sustainability
- Proposal regarding allocation of profit/loss
- Notice to the AGM
- Incentive schemes
- Interim report (Q1)
- Full year forecast (FY1)
- Risks and risk management
- Human Resources
- Market update

First quarter

- Year-end report (Q4)
- Outcome full year bonus

Statutory meeting

- Board of Directors' work procedures
- CEO instructions
- Policies

