

REMUNERATION REPORT 2020



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Introduction

The reporting and transparency requirements for listed companies increased as the new EU Shareholder Rights Directive (SHRD) and Finnish Corporate Governance Code 2020 were implemented. F-Secure's Remuneration Policy was renewed to comply with these regulations, and it was approved in the Annual General Meeting in May 2020. The Remuneration Report is now updated in accordance with the SHRD and Finnish Corporate Governance Code and it provides a comprehensive picture of the remuneration of the company's governing bodies for the financial year 2020.

Remuneration principles at F-Secure

According to F-Secure's Remuneration Policy, the company's remuneration is designed to promote the business objectives and long-term profitability of the company. The company's objective is to reward for performance and competencies. The remuneration is designed to be competitive compared to the relevant peer groups, increase commitment and work engagement and to be consistent across the organization. These principles have been taken into account in the company's remuneration in the financial year 2020.

The President and CEO's remuneration follows the same principles as for all other employees. A significant portion of the President and CEO's remuneration package is based on performance, on target level the short-term and long-term incentives comprise 57% of the total remuneration. The short- and long-term incentive plans are based on company's financial performance to ensure a strong link between company's performance and CEO remuneration. The President and CEO is also expected to build and maintain a shareholding corresponding to at least one year's base salary in the company to align management's interests with those of shareholders.

Remuneration in 2020

The Personnel Committee regularly reviews executive remuneration in F-Secure compared to the peer groups to ensure competitiveness and alignment with market practices. During 2020, the Committee conducted a benchmark study to analyze CEO compensation against peer companies. The study showed that the President and CEO's base salary is at market median, while the short-term and long-term incentive earning opportunities are slightly above the market median.

During 2020, F-Secure renewed the long-term incentive plans and introduced a Performance Share Plan as the main share-based long-term incentive plan and a Restricted Share Plan as a complementary plan. The purpose of all share-based long-term incentive plans are to retain, motivate and reward individually selected key employees as well as to align their interests with those of the Company's shareholders by creating a long-term equity interest for these individuals.

In November 2020, Juhani Hintikka was appointed as the new President and CEO, and due to this change in leadership, an exception to the Remuneration Policy was done as a one-time allocation of restricted shares was granted to the new President and CEO under the Restricted Share Plan. According to F-Secure's Remuneration Policy, the Board of Directors may temporarily deviate from the Remuneration Policy in exceptional circumstances, such as in connection with the appointment of a new CEO. There are no financial performance criteria attached to the Restricted Share Plan and the shares vest after the three-year restriction period in 2024, given that the employment continues without interruption until the payment. The annual base salary was defined to be EUR 350,000 for the President and CEO. Otherwise,

the pay mix and the target and maximum levels of short- and long-term incentives for the President and CEO continue as they have been defined in the Remuneration Policy.

For President and CEO Samu Konttinen, total earned remuneration in 2020 was EUR 482,863 (EUR 466,780 in 2019), of which EUR 172,442 (EUR 171,192 in 2019) was in the form of variable pay. For Juhani Hintikka total earned remuneration in 2020 was EUR 58,374.

At the end of 2020, the President and CEO Juhani Hintikka held no F-Secure's shares.

Remuneration of the Executives

F-Secure has been focusing on growth in the past years which is visible in the company's revenue development since 2016. The COVID-19 affected the markets heavily during 2020 and as a result, the revenue growth slowed down. At the same time, the company's profitability has improved significantly during 2019 and 2020.

Over the same period, the compensation of executives has developed modestly. The remuneration of Board of Directors was brought closer to market median levels in 2018 and it has stayed on the same level since. The total remuneration of the President and CEO has varied year over year as a significant part of the remuneration is tied to company's financial performance.

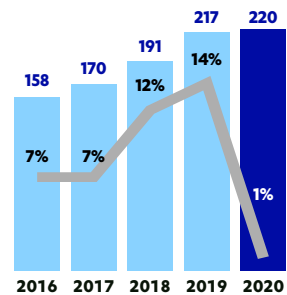
Average annual remuneration (EUR)	2016	2017	2018	2019	2020
President and CEO ¹⁾	630,912	407,070	616,361	466,780	482,863
Chairman of the Board	69,000	55,000	80,000	80,000	80,000
Other Board Members ²⁾	40,400	32,000	40,500	40,500	40,000
Average employee ³⁾	65,521	69,860	62,279	62,650	61,832

¹⁾ Paid remuneration during the calendar year, including base salary as well as short- and long-term incentives.

²⁾ Average of the remuneration paid to the Board Members, excluding the employee representative.

³⁾ The total paid wages and salaries during the calendar year / average headcount during the year in all countries.

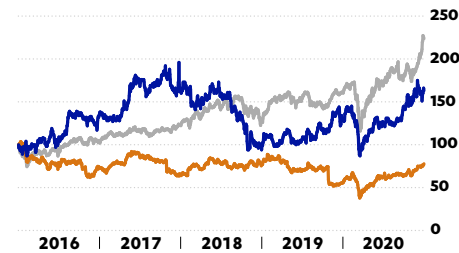
Revenue development 2016–2020



- Revenue, MEUR
- Revenue development, year over year %

Value of theoretical investment of 100 EUR done in 2016

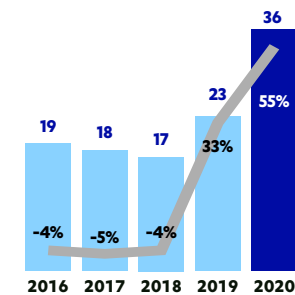
Share price development, paid dividends re-invested to share



- F-Secure
- OMX TECH
- HACK

Source: FactSet

Adjusted EBITDA development 2016–2020



- Adjusted EBITDA, MEUR
- EBITDA Development, year over year %

Remuneration of the Board of Directors

The Annual General Meeting on 12 May 2020 decided that the Board of Directors be paid fixed annual compensation for the term ending at the end of the next Annual General Meeting. Approximately 40% of the annual remuneration is paid in F-Secure's shares. No additional meeting fees are paid to members of the Board of Directors. The company will pay any applicable asset transfer tax arising from remuneration paid in shares on Board Members' behalf.

For Members of the Board of Directors, changes in the holdings of the company shares and rewards paid in shares are reported according to the Market Abuse Regulation. Related stock exchange releases are available on the company's web pages.

The fixed annual fee for Chairman of the Board is EUR 80,000, for the Committee Chairmen EUR 48,000, for Members of the Board EUR 38,000 and for Board Member belonging to the personnel of the company EUR 12,667.

The travel expenses and other costs directly related to the board work of the members of the Board of Directors are paid in accordance with the company's compensation policy in force at any given time. In addition, the Chairman of the Board of Directors is offered assistant and administrative services.

The Board of Directors Remuneration in 2020

Member	Remuneration paid in cash	Remuneration paid in shares, EUR	Remuneration paid in shares, pcs	Total
Risto Siilasmaa	EUR 47,772	EUR 32,228	11 510	EUR 80,000
Pertti Ervi	EUR 28,663	EUR 19,337	6 906	EUR 48,000
Bruce Oreck	EUR 22,692	EUR 15,308	5 467	EUR 38,000
Päivi Rekonen	EUR 22,692	EUR 15,308	5 467	EUR 38,000
Tuomas Syrjänen	EUR 22,692	EUR 15,308	5 467	EUR 38,000
Keith Bannister ¹⁾	EUR 22,692	EUR 15,308	5 467	EUR 38,000
Robert Bearsby ¹⁾	EUR 7,565	EUR 5,102	1 822	EUR 12,667
Total	EUR 174,770	EUR 117,897	42,106	EUR 292,667

¹⁾ Since 12 May 2020

Remuneration of the President and CEO in 2020

Salaries and financial benefits paid in and accrued based on 2020 are described in the table below.

President and CEO Samu Konttinen

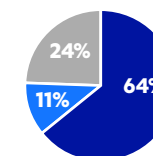
	Payments in 2020	Accrued based on 2020
Base salary, including fringe benefits	EUR 310,421	–
Supplement Pension / Other financial benefits	–	–
Short-term incentive (STI)		
Earning period 2019	EUR 13,303	–
Earning period 2020	EUR 41,874	EUR 91,503
Long-term incentive (LTI) EUR/shares		
LTI 2017–2019	EUR 117,265	–
LTI 2018–2020	–	21,600 shares
Total	EUR 482,863	EUR 91,503 / 21,600 shares

President and CEO Juhani Hintikka

	Payments in 2020	Accrual based on 2020
Base salary, including fringe benefits	EUR 58,374	–
Pension / Other financial benefits	–	–
Short-term incentive (STI)		
Earning period 2019	–	–
Earning period 2020	–	EUR 25,083
Long-term incentive (LTI) €/shares		
LTI 2017–2019	–	–
LTI 2018–2020	–	–
Total	EUR 58,374	EUR 25,083

CEO and President Samu Konttinen

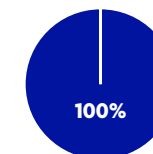
Paymix, 2020 actual payments



● Base salary ● STI ● LTI

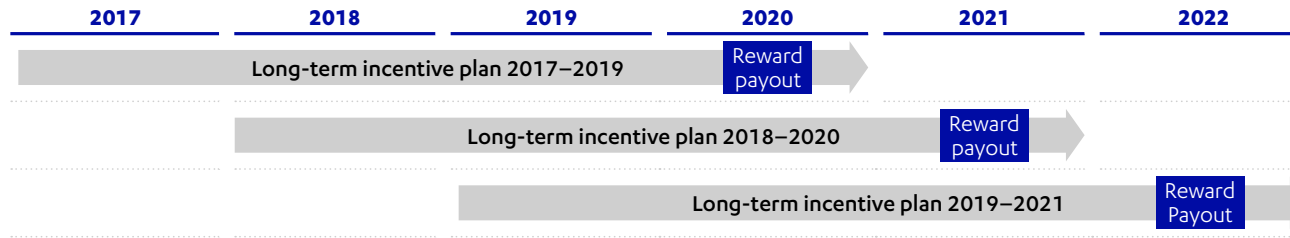
CEO and President Juhani Hintikka

Paymix, 2020 actual payments



● Base salary

Rolling structure of long-term incentive plans



Short-term incentive payments are done bi-annually. The short-term incentive rewards paid in 2020 comprise of the reward for the 2nd half of 2019 and the reward for the 1st half of 2020. The STI Plan 2019 for the President and CEO Samu Konttinen was based on F-Secure's revenue growth with 70% weight and adjusted EBITDA with 30% weight of total. The overall performance for these two criteria in the 2nd half of 2019 was 33,0% and the corresponding reward was paid in March 2020.

The STI Plan 2020 for the President and CEO Samu Konttinen was based on F-Secure's revenue with 60% weight and adjusted EBITDA with 40% weight of total. The overall performance for these two criteria was 86.0% and the corresponding reward is paid in two instalments in August 2020 and February 2021.

The STI Plan 2020 for the President and CEO Juhani Hintikka was based on F-Secure's revenue with 60% weight and adjusted EBITDA with 40% weight of total. The overall performance for these two criteria was 86.0% and the corresponding reward is paid in February 2021. The reward is pro-rated according to the employment time with the company.

Long-term incentive paid in 2020 was based on the LTI Plan 2017–2019. The performance criterion for this plan was F-Secure Revenue in 2019 and the achievement was 56.7% and the corresponding reward was paid to the President and CEO Samu Konttinen in April 2020 partly in shares and partly in cash.

The LTI Plan 2018–2020 will be paid in 2021 and the performance criterion for this plan was F-Secure Revenue in 2020. The achievement for this plan is estimated to be 30.0% and the corresponding gross reward of 21,600 shares will be paid to the former President and CEO Samu Konttinen in March 2021 partly in shares and partly in cash.