



WithSecure

Remuneration Report 2022

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Dear Shareholders,

On behalf of WithSecure's Personnel Committee, I am pleased to share the Remuneration Report for 2022. The report presents remuneration paid in 2022 to the Board members and the President and CEO in line with the Remuneration Policy approved at the Annual General Meeting 2022. WithSecure Remuneration Policy and the Remuneration Report comply with the EU Shareholder Rights Directive (SHRD) and Finnish Corporate Governance Code 2020.

The purpose of the Personnel Committee is to ensure that the variety of remuneration programs and elements reinforces the execution of the business strategy, supports paying for performance and ensures that the remuneration is designed to be competitive in comparison to relevant peer groups. The purpose of WithSecure's remuneration principles is to increase commitment and work engagement, and to be consistent across the organization. The other focus areas of our personnel Committee are the culture and value work, as well as the talent development.

WithSecure's executive remuneration structure is designed to promote the business objectives and long-term shareholder value as well as long-term profitability of the company. This is evident especially in the performance criteria set for the variable remuneration. A significant portion of the President and CEO's remuneration package is based on performance. If targets are met, the short- and long-term incentives comprise 57% of the total remuneration, as defined in the Remuneration Policy. The short- and long-term incentive plans are based on the company's financial performance and shareholder value development to ensure a strong link between the company's performance and CEO remuneration.

Performance in 2022

The separation of the consumer security business to an independent company was completed on 30 June 2022. In addition, the new customer-centric operating model was introduced in late 2022, to support our strategy execution and to help WithSecure to deliver the best possible value to its customers. Financially, year 2022 marked strong revenue growth for WithSecure, especially its cloud-native products. In cyber security consulting, we suffered from higher than usual attrition rates in the first half. During the year, we have improved both the recruitment and retention of personnel and our consulting delivered a growth quarter again in the end of the year. We have started to follow our

promise of becoming profitable by improving our results in the second half of the year.

As we updated our strategy in 2022, we also revised our people strategy and it is now defined around five key areas; rewarding, talent & development, culture & leadership, diversity, inclusion & wellbeing, and enabling business growth. Engaged and competent people is imperative to our success and our purpose is to create a place of work where colleagues can thrive both personally and professionally in order to drive the success of our business. We offer our people an inclusive, flexible and caring workplace built on our values. We continue to invest in the development of our people with the aim to offer equal and inspiring opportunities to learn and grow.

To support our growth journey, new share-based incentive schemes were implemented during 2022. The Employee Share Savings Plan was introduced to all employees and the Performance Matching Share Plan to the company's leadership and other key leaders. The aim of these long-term incentive plans was to increase the alignment of shareholders and our people and to offer an attractive opportunity to benefit from the company's success to all employees.

Looking ahead to 2023

In 2022, WithSecure launched a revised sustainability program. Among bigger focus on sustainability, dedicated initiatives are also in place for diversity & inclusion, and wellbeing.

We are positively looking into 2023 and our focus is on building the growth mindset and experimentation culture and driving towards further growth and profitability.

Chair of the Personnel Committee

Tuomas Syrjänen



Remuneration of the Executives

The development of WithSecure's executive compensation in 2018–2022 is described in the table below. The remuneration of the Board of Directors was brought closer to the 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 by year as a significant part of the remuneration is tied to the company's financial performance.

Average annual remuneration (EUR)	2018	2019	2020	2021	2022
President and CEO ¹⁾	616,361	466,780	482,863	375,327	555,519
Chair of the Board	80,000	80,000	80,000	80,519	80,000
Other Board Members ²⁾	40,500	40,500	40,000	44,508	44,000
Average employee ³⁾	62,279	62,650	61,832	67,443	74,158 ⁴⁾
Revenue, EUR million ⁵⁾	191	217	220	130	135
Adjusted EBITDA, EUR million ⁵⁾	17	23	36	-11	-23

¹⁾ Remuneration paid during the financial year, including the base salary as well as short- and long-term incentives.

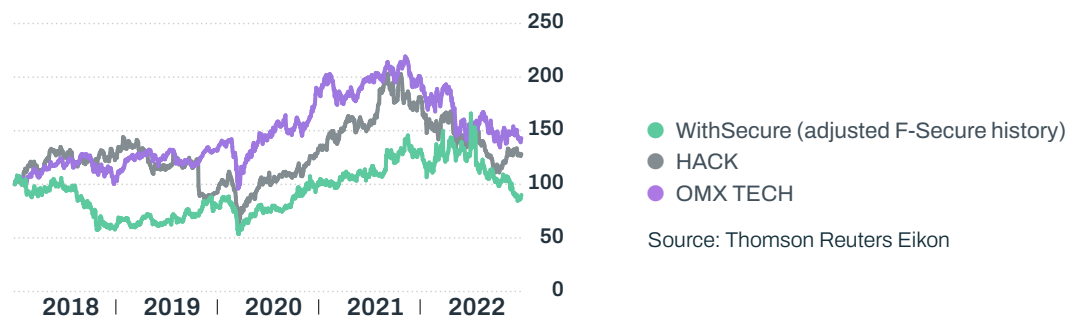
²⁾ Average remunerations paid to the Board Members, excluding the employee representative.

³⁾ Total wages and salaries of the calendar year / average headcount during the year in all countries. Numbers until 2020 include the consumer security (F-Secure). 2021 and 2022 are restated to include only WithSecure.

⁴⁾ The average salary by employee is impacted by the structural changes of the company during the year.

⁵⁾ Numbers until 2020 include the consumer security (F-Secure). 2021 and 2022 are restated to include only WithSecure.

Share price development of WithSecure and indices



Remuneration of the Board of Directors

The Annual General Meeting decided on March 16, 2022 that the Board of Directors is paid fixed annual compensation for the term ending at the end of the next Annual General Meeting. The annual fee for the Chairman of the Board is EUR 80,000, for the Committee Chairs EUR 48,000, for Members of the Board EUR 38,000, and for a Board Member belonging to the personnel of the company EUR 12,667.

The Annual General Meeting decided that approximately 40% of the annual remuneration is paid in WithSecure's shares repurchased from the market. There are no special terms or conditions associated with owning the shares received as remuneration. The company will pay any applicable transfer tax arising from remuneration paid in shares.

For the 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 website.

A separate meeting fee of EUR 1,000 is paid to the Board members travelling from another country to an on-site meeting within the European continent. If inter-continental travel is required, the fee is EUR 2,000.

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 2022

Member	Annual fee paid in cash, EUR ¹⁾	Annual fee paid in shares, EUR	Annual fee paid in shares, pcs	Meeting fees paid, EUR ²⁾	Total, EUR
Risto Siilasmaa	50,364	29,636	6,328	–	80,000
Pertti Ervi ³⁾	26,024	15,310	3,269	4,000	45,334
Päivi Rekonen	23,927	14,073	3,005	3,000	41,000
Tuomas Syrjänen ⁴⁾	30,222	17,778	3,796	–	48,000
Keith Bannister	23,927	14,073	3,005	3,000	41,000
Kirsi Sormunen ³⁾	28,121	16,546	3,533	–	44,667
Tony Smith	7,974	4,693	1,002	–	12,667
Åsa Riisberg ⁵⁾	–	–	–	1,000	1,000
Robin Wikström ⁶⁾	–	–	–	–	–
Total	190,559	112,109	23,938	11,000	313,668

¹⁾ Annual fee paid in cash including the transfer tax paid due to the share-based remuneration.

²⁾ Meeting fees paid based on international travel.

³⁾ Pertti Ervi served as the Chair of the Audit Committee until 31 July 2022, and Kirsi Sormunen has served as the Chair of the Audit Committee from 1 August 2022 onwards

⁴⁾ Päivi Rekonen served as the Chair of the Personnel Committee until 16 March 2022, and Tuomas Syrjänen has served as the Chair of the Personnel Committee from 16 March 2022 onwards

⁵⁾ Åsa Riisberg was a member of the Board of Directors from 24 March 2021 to 16 March 2022. Only meeting fee paid in 2022

⁶⁾ Until 16 March 2022 – no payments were made in 2022

Remuneration of the President and CEO

The remuneration of the President and CEO is decided by the Board of Directors. The main components of the President and CEO's total remuneration are base salary and short- and long-term incentives.

Salaries and financial benefits paid in and accrued based on 2022 are described below:

EUR	Payments in 2022	Accrued based on 2022
Base salary, Including fringe benefits	350,244	–
Pension/Other financial benefits	–	–
Short-term incentives (STI)		
Earning period 2021	205,275	–
Earning period 2022	–	145,163
Long-term incentive (LTI) EUR/shares	–	–
Total	555,519	145,163

STI Plan	Performance Criteria	Weight	Minimum	Target	Maximum	Outcome	Performance	Achievement
STI 2021	Revenue	60%	220.0	235.0	250.0	236.3	108.7%	117.3%
	Adjusted EBITDA	40%	29.0	35.4	42.0	37.4	130.3%	

STI Plan	Performance Criteria	Weight	Minimum	Target	Maximum	Outcome	Performance	Achievement
STI H1/ 2022	Revenue	60%	112.6	118.6	124.6	119.6	116.7%	150%
	Adjusted EBITDA	40%	6.9	8.5	10.1	10.3	200.0%	

STI Plan	Performance Criteria	Weight	Minimum	Target	Maximum	Outcome	Performance	Achievement
STI H2/ 2022	Revenue	60%	68.9	72.6	76.3	69.9	26.5%	15.9%
	Adjusted EBITDA	40%	–8.6	–7.2	–5.8	–10.0	0.0%	

Short-term incentive (STI)

The target STI reward for the President and CEO is 50% of annual base salary, maximum payout being approximately equal to the annual base salary. The STI reward for the President and CEO can be paid partly or fully to a pension fund. The Board of Directors decides annually on the contribution to the fund. As the contribution to the pension fund is not subject to social or other employer costs, the reward paid to the pension fund is multiplied by 1.1.

The STI Plan 2022 for the President and CEO was based on WithSecure's revenue with 60% weight and adjusted EBITDA with 40% weight of total. The performance criteria for the STI Plan 2022 were originally set for the full year 2022, but due to the demerger of consumer business, the targets were set and evaluated separately for first and second half of the year. The overall achievement for first half of 2022 was 150% and for the second half 15.9%. The STI reward for the full year of 2022 is paid in Q1 2023.

Long-term incentive (LTI)

No Long-term incentive (LTI) payments were made to the President and CEO during 2022.

The President and CEO was granted 202,983 shares within the Performance Share Plan (PSP) 2021–2023 in 2021. This grant represents the target level reward, the maximum reward being two times the target allocation. Final reward is determined based on the extent to which the targets have been reached during the performance period.

As reported originally in the Remuneration Report 2020, the President and CEO was granted a one-time allocation of 106,833 shares within the Restricted Share Plan (RSP) 2021–2023. The reward is conditional to continuous service with the company at the time of payment in 2024.

The shares allocated within the Performance Share Plan and the Restricted Share Plan were converted from the original allocation to match the WithSecure share after the demerger.

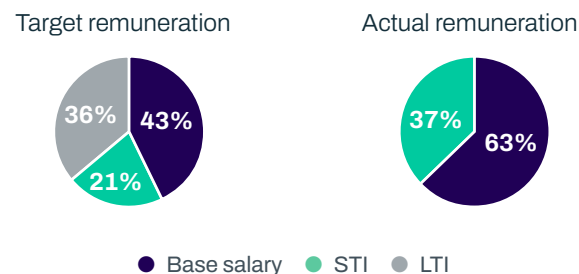
The company launched a new Performance Matching Share Plan in 2022 for President and CEO, leadership team members and other key leaders of WithSecure. The plan consists of one 4-year performance period. In the plan, the participants are given an opportunity to invest in WithSecure and earn WithSecure shares through a matching reward. The prerequisite for participation in the plan is a personal investment in WithSecure within the guidelines approved by the Board of Directors. The intention of the company is that the Performance Matching Share Plan 2022–2026 will replace two typical annual performance share plan allocations for the President and CEO during the years 2022 and 2023.

The key terms of service of the President and CEO

The contract of the President and CEO is an indefinite contract with a six-month period of notice both ways. If the company terminates the contract of employment, the President and CEO is entitled to a severance payment equivalent of six months' base salary.

The President and CEO does not have a supplementary pension plan, and the determination of his pension conforms to the standard rules specified by Finland's Employee Pension Act (TYEL). The President and CEO's retirement age is also determined by the statutory pension system and is 65 years under the applicable Finnish legislation.

President and CEO Pay mix 2022



The President and CEO – Current LTI Plans

Share Plan	Performance Criteria	Target reward	Maximum reward	Reward payment
Performance Share Plan 2021–2023	Absolute TSR	202,983 shares	405,965 shares	Q1 / 2024
Restricted Share Plan 2021–2023	Continuous employment	106,833 shares	106,833 shares	Q1 / 2024
Performance Matching Share Plan 2022–2026	WithSecure market capitalization	3 × matching of initial investment of 612,670 shares	5.5 × matching of initial investment of 612,670 shares	Q4 / 2026

Information for shareholders

Financial calendar

During the year 2023, WithSecure Corporation will publish financial information as follows

- 20 April 2023: Interim Report for January–March 2023
- 14 July 2023: Half-Year Financial Report for January–June 2023
- 18 October 2023: Interim Report for January–September 2023

WithSecure observes at least a three-week (21 days) silent period prior to publication of financial reports, during which it refrains from engaging in discussions with capital market representatives or the media regarding WithSecure's financial position or the factors affecting it.

The Annual General Meeting is scheduled for Tuesday, 21 March 2023. The Board of Directors will convene the meeting.

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