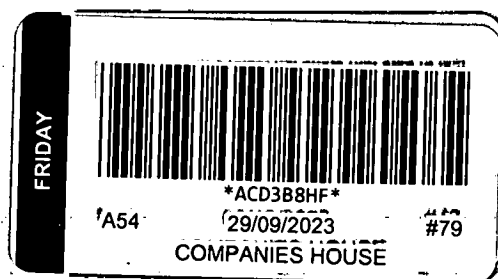


Registered number: 04451698

**WITHSECURE LIMITED**  
**(FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**COMPANY INFORMATION**

**Directors**

T K Sarhimaa  
T J Orchard  
S L Walker

**Registered number**

04451698

**Registered office**

Matrix House 5th Floor  
Basing View  
Basingstoke  
RG21 4DZ

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

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**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022****Introduction**

The directors present their Strategic Report on the Company for the year ended 31 December 2022.

**Business review**

WithSecure Limited previously known as F-Secure Cyber Security Limited has changed the name to WithSecure Limited by special resolution on 17 February 2022. The company is fully owned by WithSecure Oyj, a Finnish Corporation, that is publicly traded on the Helsinki Stock Exchange (FSC1V:FH).

WithSecure Limited provides cyber security products and services globally for businesses.

Central to WithSecure Limited's philosophy is the desire to deliver high quality cyber security software and services with superior levels of support to clients. The combination of man and machine uniquely positions the Company to support businesses to fight advanced attacks with its cyber security products and services.

The historical and future focus of the Company involves working with clients to develop and deliver a full cyber security programme, tailored to meet the needs of individual organisations. The suite of solutions ranges from providing professional and managed services, developing and deploying software products and technology and offering training and research across areas such as incident response, web defence, phishing, mobile and payment security.

The loss for the year ended 31 December 2022 of £1.535m presented in the Statement of Comprehensive Income, reflects continued investment in personnel and significant research and development spend in the UK to provide a secure footing for future delivery. The loss for the year ended 31 December 2022 has increased significantly compared to the loss of £0.552m incurred during the 12-month period ended 31 December 2021.

In December 2021, WithSecure divested its UK public sector consulting team through a management buy-out (MBO) to increase focus on enterprise clients. In 2021, revenue of the divested operations was £3.2m and it employed some 20 consultants. The expected total proceeds including deferred consideration from the UK government business divestment was originally £1.5m. For 2022 WithSecure Limited's deferred consideration totaled £1.1m. The estimation of the expected total proceeds have been increased by £1.5 million to £3 million

In February 2022, WithSecure divested its South African subsidiary through a local management buy-out (MBO). The expected total proceeds including deferred consideration from the South Africa divestment was £0.9m indicating an impairment in the investment held in balance sheet. An impairment of £0.4m was recorded in 2021 to reduce the investment balance down to its recoverable value. After the divestment WithSecure Limited has entered into an additional settlement agreement related to the South Africa divestment. According to the agreement WithSecure Limited has no obligation to settle liabilities towards the buyer that existed at the time of the divestment. The gain related to the waiver has been recognized to offset the original loss of the divestment.

At the end of the year the Company had net liabilities of £4.241m compared to net liabilities of £2.706m at 31 December 2021. The increase in net liabilities relates to the asset transfer made in preparation of the demerger, where WS Limited acted as buyer. The purchase price was recognized as liability. This transaction has to be reflected in the AFS.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Financial key performance indicators**

Various key performance indicators are used by the directors to monitor and compare the performance of the Company. They regard the revenue, net current assets and employee numbers as the key financial indicators of performance, all of which can be observed in the attached financial statements and are summarized below.

Revenue decreased to £21.6m for the year compared to revenue of £23.5m for the year ended 31 December 2021. This is as a result of the divestment that took place during the year.

Net current assets at the end of the period are £3.821m compared to £2.579m at 31 December 2021. The Group maintains a cash pool arrangement which means that available funds are included in debtors falling due within one year rather than cash at bank and in hand. The inter-company balances at 31 December 2022, including the cash pool and inter-company receivables in current assets, and loans, have decreased compared to the inter-company balances at 31 December 2021. The Group monitors the inter-company balances regularly.

Employee numbers on a full-time equivalent basis decreased from 266 to 247 during the period.

**Principal risks and uncertainties**

The following risks and uncertainties can adversely impact sales, profitability, financial condition, market share, reputation or the achievement of the company's short- and long-term objectives. The matters described here should not be construed as an exhaustive list.

The most significant risks are:

**Risks relating to launch of new technologies**

In a rapidly evolving industry it is vital to keep the products and services relevant to the customers while introducing new technologies to the market on-time. WithSecure Limited is driving technology simplification and R&D effectiveness initiatives as well as investments in artificial intelligence to ensure a competitive product portfolio.

**Attracting and retaining talent**

Competition for capable personnel is increasing and there is structural undersupply of talent in the security industry. WithSecure Limited is continuously developing and adopting new ways of recruitment, building its own talent and knowledge pools and investing in training and development of personnel.

**Currency fluctuations**

The Company is exposed to currency fluctuations as certain contracts and therefore assets and liabilities are denominated in non-GBP currencies. WithSecure Limited does not currently adopt a policy of hedge accounting for these financial instruments, and has no forward exchange contracts outstanding.

**Cyber security risk**

WithSecure Limited is aware, due to its client base and position in the market, that it is likely to be the target of cyberattacks. This risk is managed by the Group function Security Working Group (SWG), who review and set policy and take input from the consulting business unit STIG (Security Testing, Incidents and Guidance internal operational security team) on specific aspects of security. The SWG also review all incidents and if necessary manage and coordinate response as required.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****Future developments**

According to WithSecure's strategy the company focuses on products and services for B2B customers. Recent development reflects the company's strategic goals. On 17 February 2022 WithSecure announced a plan to pursue towards the separation of the company's consumer security business through a partial demerger. The demerger was completed on 30 June 2022. In addition to the demerger, the disposal of the UK public sector consulting team in December 2021 and South African subsidiary in February 2022 were also completed as part of the strategy execution.

In the business transfer WithSecure's B2B product marketing support services were transferred to WithSecure Limited from another UK based company. The value of the transferred business was £1.3m.

The future developments outlined here are consistent with the WithSecure Group presentations at its Capital Markets Day on 3rd June 2022 including a focus on enterprise customers that are served directly by the outcome-based solution portfolio that includes Managed Detection and Response, and consulting.

The Group's target is to become profitable in Q4 2023 with WithSecure Limited also striving for profitability. The restructuring that took place during the first quarter of 2023 was done in order to achieve the profitability target.

**Section 172(1) Statement***Overview*

The directors of WithSecure Limited must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006 and include a duty to promote the success of the Company which is summarised below.

The directors are briefed on their duties and they can access professional advice on these – either through the Company and wider Group or, if they judge necessary, from an independent provider.

The directors consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2022.

The following paragraphs summarise how the directors fulfil their duties.

*Long Term Decision Making*

As our business develops, changes and becomes more complex, it is vital that risks are effectively identified, evaluated, managed and mitigated and that our approach to risk management continues to evolve to support the long term strategy of the company. Details of our principal risks and uncertainties and our approach to managing them are noted above. For example, decision to divest the public sector consulting team to increase focus on enterprise clients is aligned with WithSecure's group level focus.

Culture and values underpin how a company creates and sustains value over the longer term and are key elements of how it maintains a reputation for high standards of business conduct. The standards set by the Board mandate certain requirements and behaviours with regards to the activities of its directors, employees and others associated with it. The culture throughout WithSecure Limited and the wider Group is one that promotes engagement, collaboration and development of employees for the mutual benefit of the business and those working within the organisation. For example, there are a number of initiatives on-going across the Group, including the UK, where employees are invited to participate, ranging from marketing activities to diversity and inclusion and sustainability.

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### *Employee Interests*

The Company is committed to being a responsible business and our behaviour is aligned with the expectations of our employees, customers and investors. WithSecure provides a fair, safe and healthy work environment and treats all its employees, candidates, customers and business partners fairly and equally, with regard to sexual orientation, gender, race, religion and age, according to applicable laws and practices. For the business to succeed, we need to manage our employees' performance and develop and bring through talent whilst ensuring we operate as efficiently as possible. All employees are set individual goals and annual development reviews are undertaken. The company carries out regular engagement surveys, the results of which are shared with employees and used to help formulate future strategy. To improve job satisfaction, well-being and productivity WithSecure Limited launched several initiatives under theme of Future of Work at WithSecure Limited, which have been implemented during 2022. For an example, team level rollout of Objectives and Key Results introduced in H2 2022. In second half of 2022 the Group has also launched an Employee Shares Savings Plan (ESSP) available to all employees globally. The ESSP consists of one year savings period and two year holding period of WithSecure Oyj shares, after which the company will match every 2 shares saved with 1 additional share. According to standardized practice, all employees are regularly notified on the Group level financial and business performance, risks and market reflection through internal info-sessions and letters from senior management.

### *Business Relationships*

The Company is 100% owned by WithSecure Oyj. As such, the Board maintain close working relations with the Group head office and the strategies of WithSecure Limited are closely aligned with the larger Group.

The Company trades with customers globally, and as such the Board delegate the ownership of customer relations to the sales team who co-ordinate activities through their regional teams which are supported by the wider Group. This allows the Company to understand and work efficiently with its local customers whilst maintaining high levels of service. Understanding the needs of our customers is central to the success of the business and this underlines the importance of maintaining strong relationships with our customer base.

The Board delegates the maintenance and building of supplier relations to a Group managed procurement team, which works to identify and foster key supplier relationships to the mutual benefit of our business and our suppliers. By having preferred suppliers, the business focuses on quality and reliability of our supply chain whilst driving value for money.

### *Environment*

WithSecure Limited acknowledges climate change and other environmental impacts are both global as well as local concerns, and the Company strives to minimise its impact. WithSecure Limited has a precautionary approach to environmental challenges, and is committed to working in an environmentally responsible and efficient manner and strives to minimise our environmental footprint:

- We aim to continuously increase the energy efficiency of the company as well as to reduce the amount of waste and emissions produced by our operations.
- We encourage the use of environmentally friendly technologies, tools and services in the research and development of our products and services.
- We aim to reduce the environmental impact of our global operations by connecting people from different locations through technology and choosing environmentally friendly means of travelling.
- We provide support for employees to move from private cars to public transportation and bicycles for their commute.

To evaluate our success in limiting our environmental impact, WithSecure Limited conducts an annual energy review to estimate our total direct consumption of electricity at company level.

In 2022 WithSecure re-assessed its ways of working on sustainability. A new sustainability program was created to host the initiatives around environmental, social and governance matters, and to ensure coherent and transparent reporting on them.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

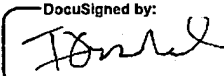
WithSecure's role of protecting the digital society and preventing damages and losses caused by cybercrime is its most important contribution to a more sustainable world. In addition to this important purpose, WithSecure wants to ensure that its activities are carried out in the best possible way regarding planet, people and society around us. It could mean sharing the knowledge and supporting the parties who cannot always defend themselves. The carbon footprint of a software and services company is not high, but every company must do their part in minimizing the environmental impacts of their activities and products. WithSecure employs highly skilled experts around the world and wants to support their well being and growth opportunities. The company's internal operations must always follow highest ethical standards.

Leading guideline of W/Sustainability program will be Maximizing Net Impact – on the planet, people, and society. The objective of the sustainability program is to ensure that sustainability is embedded in all company decisions. Another objective is to ensure full transparency of sustainability activities to users of the company reports. WithSecure's intention is to closely follow European legislation on the sustainability reporting and to be well prepared for full compliance.

Based on our analysis of the EU Taxonomy Regulation (2020/852), and related guidance from the European Commission, WithSecure activities are not eligible with the current taxonomy. New activities, however, with new environmental targets in the future might be more relevant for WithSecure and trigger a need of re-assessing both eligibility and alignment.

WithSecure has quantified its carbon footprint of 2022, in accordance with the Greenhouse Gas (GHG) Protocol. The results will be used as a baseline to define further reduction targets during 2023. The results of taxonomy analysis, carbon footprint and other sustainability work of WithSecure are described more in detail in the Sustainability Report 2022, published as part of the annual reporting of 2022.

This report was approved by the board on 27-09-2023 and signed on its behalf.

DocuSigned by:  
  
7FFAA5ACE4044AC...  
**T J Orchard**  
Director

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the audited financial statements for the year ended 31 December 2022.

**Future developments**

Please refer Strategic Report for future developments.

**Dividends**

No dividend was proposed or paid in respect of the year to 31 December 2022 (period to 31 December 2021: no dividend).

**Financial risk management**

The Company uses various financial instruments, including trade debtors and trade creditors arising directly from trading operations. The existence of these financial instruments exposes the Company to a number of financial risks including interest rate, credit and liquidity risks as summarised below.

**Interest rate risk**

The Company has loans in place at 31 December 2022 that remain subject to potential changes in libor-based interest rates, and therefore may see increased interest payments in future.

**Credit risk**

The Company's principal financial assets are trade debtors, which represent a risk which is managed by considering the financial strength of all customers, and applying appropriate credit limits and payment terms. All cash balances are held with well-established banks with a good credit rating.

**Liquidity risk**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows along with support from WithSecure Oyj. In the event that the operating cash flows would not cover all the financial obligations, the Company has credit facilities available through access to Group funds.

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

E D Parsons (resigned 25 September 2022)

T K Sarhimaa (appointed 31 August 2021)

T J Orchard (appointed 24 May 2022)

S L Walker (appointed 26 September 2022)

**Qualifying third-party indemnity provisions**

The directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year directors' and officers' liability insurance for the benefit of the Company, the directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****Research and development activities**

Innovation is at the core of our vision, mission and strategic goals. We continually seek to innovate both in the way we deliver cyber security consultancy and through the products we bring to the market to support our customers' security posture. During the year the Company has invested £1.668m (2021: £1.933m) in research and development expenditure.

**Post balance sheet events**

In first quarter of 2023, WithSecure carried out a global restructuring to improve profitability and competitiveness. As a result of the restructuring, 20 positions in the UK were reduced.

**Employee engagement**

The performance of the Company relies on the selection, development and retention of highly talented employees. Wherever possible WithSecure Limited attempts to promote from within to develop staff and create opportunities for career development.

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex. Appropriate consideration is given to disabled applicants in offering employment.

Senior management are kept informed of Group developments in certain financial, commercial, strategic and personnel matters enabling them to inform and discuss with their teams as appropriate. Each operating unit maintains good communication with team members through regular team and one to one meetings. In line with the flexibility of the Group's approach to management, team leaders are encouraged to tailor their approach to whatever best suits their operations. According to standardized practice, all employees are regularly notified on the Group level financial and business performance, risks and market reflection through internal info-sessions and letters from senior management.

WithSecure Limited is committed to being a responsible business and our behaviour is aligned with the expectations of our employees, customers and investors. For the business to succeed, we need to manage our employee's performance and develop and bring through talent whilst ensuring we operate as efficiently as possible. All employees are set individual goals and annual development reviews are undertaken. The company carries out regular engagement surveys, the results of which are shared with employees and used to help formulate future strategy. To improve job satisfaction, well-being and productivity WithSecure's Board of Directors decided to launch an Employee Share Savings Plan (ESSP) in September 2022. The aim of the Plan is to offer employees an opportunity to invest in WithSecure and benefit from the company's success. The Plan gives an opportunity to save from salary according to own choice and invest the savings in WithSecure shares (savings shares). As an award for the commitment, participants will get one free share (gross) for every two savings shares after the holding period. Participation is voluntary, and it is offered to all permanent employees in WithSecure payroll. The minimum monthly saving you can make corresponds to 2 per cent of your monthly gross salary and the maximum corresponds to 5 per cent of your monthly gross salary (excluding possible holiday pay and period salaries).

**Going Concern**

The directors of WithSecure Limited have considered forecasted results for the business, taking into account its current and planned business activities and the markets in which it operates. The forecasts, along with a formal letter of support provided by the parent company, WithSecure Oyj, indicate sufficient funds are available for the Company to be able to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of signing these financial statements. The directors accordingly continue to prepare the financial statements on the going concern basis.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

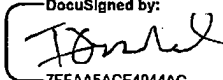
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

Following a rebranding exercise on 15 May 2023 the trading name of the independent auditor changed from MHA MacIntyre Hudson to MHA.

Under section 487(2) of the Companies Act 2006, MHA will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 27-09-2023 and signed on its behalf,

DocuSigned by:  
  
 7FFAA5ACE4044AC...

**T J Orchard**  
Director



# Independent auditors' report to the members of WithSecure Limited

## Opinion

We have audited the financial statements of WithSecure Limited (the 'company') for the year ended 31 December 2022 which comprise Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the company's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



# **Independent auditors' report to the members of WithSecure Limited (continued)**

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent auditors' report to the members of WithSecure Limited (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink that reads 'Jason Mitchell'.

Jason Mitchell MBA BSc FCA  
(Senior Statutory Auditor)  
for and on behalf of MHA, Statutory Auditors

Building 4, Foundation Park  
Roxborough Way  
Maidenhead  
SL6 3UD

28 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	4	21,579,854	23,457,748
Cost of sales		(10,461,249)	(10,528,204)
<b>Gross profit</b>		<b>11,118,605</b>	<b>12,929,544</b>
Administrative expenses		(13,370,574)	(14,018,903)
<b>Operating loss</b>	5	<b>(2,251,969)</b>	<b>(1,089,359)</b>
Income from other fixed asset investments		—	157,163
Profit/(loss) on disposal of investments		1,098,651	—
Gain from divestment of Government contracts		—	459,857
<b>Loss before interest and taxation</b>		<b>(1,153,318)</b>	<b>(472,339)</b>
Interest payable and similar expenses	9	(382,168)	(188,667)
<b>Loss before tax</b>		<b>(1,535,486)</b>	<b>(661,006)</b>
Tax on loss	10	—	109,271
<b>Loss and total comprehensive expense for the financial year</b>		<b>(1,535,486)</b>	<b>(551,735)</b>

The notes on pages 15 to 31 form part of these financial statements.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**  
**REGISTERED NUMBER: 04451698**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	31 December 2022 £	31 December 2021 £
<b>Fixed assets</b>			
Intangible assets	11	1,284,646	28,967
Tangible assets	12	692,852	599,749
Investments	13	1,545,554	2,465,345
		<u>3,523,052</u>	<u>3,094,061</u>
<b>Current assets</b>			
Debtors: amounts falling after more than one year	14	3,173,688	974,149
Debtors: amounts falling due within one year	14	11,629,630	10,849,483
		<u>14,803,318</u>	<u>11,823,632</u>
Creditors: amounts falling due within one year	15	<u>(10,982,536)</u>	<u>(9,244,298)</u>
<b>Net current assets</b>		<b>3,820,782</b>	<b>2,579,334</b>
<b>Total assets less current liabilities</b>		<b>7,343,834</b>	<b>5,673,395</b>
Creditors: amounts falling due after more than one year	16	(11,585,000)	(8,379,075)
<b>Net liabilities</b>		<b><u>(4,241,166)</u></b>	<b><u>(2,705,680)</u></b>
<b>Capital and reserves</b>			
Called up share capital	18	64,611	64,611
Share premium account	19	8,774,457	8,774,457
Other Reserves	19	740,478	740,478
Profit and loss account	19	(13,820,712)	(12,285,226)
<b>Total equity</b>		<b><u>(4,241,166)</u></b>	<b><u>(2,705,680)</u></b>

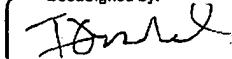
The financial statements on pages 12 to 31 were approved by the Board of Directors on

27-09-2023

and

signed on its behalf by

DocuSigned by:



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**T J Orchard**

Director

The notes on pages 15 to 31 form part of these financial statements.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called-up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
<b>At At Balance at 1 January 2021</b>	<b>64,611</b>	<b>8,774,457</b>	<b>740,478</b>	<b>(11,733,491)</b>	<b>(2,153,945)</b>
<b>Comprehensive expense for the period</b>					
Loss for the financial period	—	—	—	(551,735)	(551,735)
<b>Total comprehensive expense for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(551,735)</b>	<b>(551,735)</b>
<b>At 31 December 2021 and 1 January 2022</b>	<b>64,611</b>	<b>8,774,457</b>	<b>740,478</b>	<b>(12,285,226)</b>	<b>(2,705,680)</b>
<b>Comprehensive expense for the year</b>					
Loss for the financial year	—	—	—	(1,535,486)	(1,535,486)
<b>Total comprehensive expense for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,535,486)</b>	<b>(1,535,486)</b>
<b>At 31 December 2022</b>	<b>64,611</b>	<b>8,774,457</b>	<b>740,478</b>	<b>(13,820,712)</b>	<b>(4,241,166)</b>

The notes on pages 15 to 31 form part of these financial statements.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****1. General information**

WithSecure Limited (Formerly F-Secure Cyber Security Limited) is a private company limited by shares incorporated in England and Wales, United Kingdom. The registered office and place of business is Matrix House 5th Floor, Basing View, Basingstoke, Hampshire, RG21 4DZ. A description of the nature of the entity's operations and its principal activities are disclosed in the Strategic Report.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company is a wholly owned subsidiary of WithSecure Oyj. It is included in the consolidated financial statements of WithSecure Oyj which are publicly available. The company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is WithSecure Oyj. The address of the parent's registered office is Tammasaarekatu 7, 00180 Helsinki, Finland.

As the company is a wholly owned subsidiary of WithSecure Oyj, the group financial statements of which are publicly available, advantage is taken of the exemption from disclosing transactions with group companies and from presenting a cash flow statement.

The following principal accounting policies have been applied. These policies have been consistently applied to all periods presented, unless otherwise stated.

**2.2 Going concern**

The directors of WithSecure Limited have considered forecasted results for the business, taking into account its current and planned business activities and the markets in which it operates. The forecasts along with a formal letter of support provided by the parent company, WithSecure Oyj, indicate sufficient funds are available from the Company to be able to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of signing these financial statements. The directors accordingly continue to prepare the financial statements on the going concern basis.

**2.3 Revenue**

Turnover comprises revenue recognised by the Company in respect of services supplied during the year exclusive of Value Added Tax and trade discounts. Income arising from the provision of consultancy services is recognised as the work is performed. Fees relating to contracts that straddle a period end are recognised over the period in which services are performed, and adjustments are made, where necessary for deferred revenue.

Revenue from Countercept and Phishd divisions is recognised on a straight line basis over the duration of the contract.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 2. Accounting policies (continued)

#### 2.4 Intangible assets and goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The useful estimate life of Intangible assets are 3 to 10 years.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the term of lease
Fixtures and fittings	- 25%
Office equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.6 Valuation of investments

Investments in subsidiaries and associates are stated at cost less provision for accumulated impairment losses. The investments are reviewed annually by management to see if there are any indicators of potential impairment, in which case an impairment assessment is performed in order to derive the subsidiary's recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. In the event that the recoverable amount is less than the carrying value of the investment, the investment is written down to the recoverable amount, with the impairment being recognised in profit or loss.

#### 2.7 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### i. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

<b>WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**ii. Financial liabilities**

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**iii. Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**iv. Others**

Government contract divestment proceeds included deferred consideration that is contingent on future performance of the divested business. This has been recognised in both short term and long term financial instruments which reported as £0.527m and £0.779m respectively. Accordingly the contingent consideration has been recognised at its fair value, which is normally the transaction price adjusted for transaction costs.

As such the contingent receivable is initially measured at fair value and subsequently measured at each reporting date at fair value with changes recognised in profit and loss statement.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **2. Accounting policies (continued)**

#### **2.8 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### **2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.10 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### **2.11 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### **2.12 Current and deferred taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.12 Current and deferred taxation (continued)**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.13 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments within the next financial year are included below.

**Judgments made in application of accounting policies in the financial year**

**Discontinued Operations**

In 2021, management concluded that the disposal of the UK public sector consulting team does not meet the requirements of discontinued operations accounting under FRS 102. The disposal consisted of subset of customer agreements and employees who were dedicated to serving these customers. The disposed business does not represent a major line of business or a geographical area of operations.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)****Key sources of estimation uncertainty****Impairment of investments**

Management assesses investments in subsidiaries for any indication of impairment. Where an impairment trigger is noted, an assessment of the subsidiary's recoverable amount is made. The recoverable amount is the higher of the fair value less costs to sell ("FVLCTS") and value in use. During the year to 31 December 2021, the directors took the decision to sell the subsidiary, which was considered to be an impairment trigger. Given the impending disposal, the recoverable amount of the investment at 31 December 2021 was based on an assessment of fair value (£919,791) less costs to sell (£1,285,256). As a result, an impairment of £365,465 was recorded in the year ended 31 December 2021, based on the shortfall in FVLCTS compared to the carrying value of the investment. On 14 February 2022, F-Secure Cyber Security (Pty) Limited was sold for a value consistent with that used in the FVLCTS model.

**Trade receivables and amounts owed by Company undertakings**

Management estimates the recoverable amount of trade receivables and amounts owed by Company, taking into account the most reliable evidence at each reporting date and making a provision for any doubtful debts.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Turnover**

An analysis of turnover by geographical locations is as follows:

	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2021</b>
	£	£
United Kingdom	19,651,172	19,870,019
Rest of Europe	1,236,600	1,701,690
US/ Americas	168,274	1,287,245
Asia Pacific	25,600	42,933
Middle East and Africa	498,208	555,861
	<u>21,579,854</u>	<u>23,457,748</u>

All revenue is derived from cyber security services.

**5. Operating loss**

The operating loss is stated after charging/(crediting):

	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2021</b>
	£	£
Depreciation of tangible assets	388,193	574,029
Amortisation of intangible assets	211,578	15,074
Operating lease rentals - land & buildings	812,574	1,054,500
Exchange differences	(104,203)	75,209
Impairment of South Africa Subsidiary	—	365,465
Research & Development charged as an expense	1,668,331	1,933,000
Loss / (Gain) on disposal of assets	<u>(478)</u>	<u>834</u>

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****6. Auditors' remuneration**

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>50,283</u>	<u>108,000</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Wages and salaries	16,976,103	16,243,597
Social security costs	2,078,199	1,939,744
Other pension costs	718,015	754,441
	<u>19,772,317</u>	<u>18,937,782</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
Consulting and Delivery	135	144
Sales and Marketing	67	71
Research and Development	25	32
Administration	20	19

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Directors' remuneration**

During the year retirement benefits were accruing to 3 director (2021: 2) in respect of defined contribution pension schemes.

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Directors' emoluments	<u>774,638</u>	<u>363,888</u>

The highest paid director received remuneration of £294,425 (2021: £244,489).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,194 (2021: £12,398).

The emoluments for one director are borne by another group company and no recharge is made to WithSecure Limited. The services of this director to the Company were considered incidental to their services to the Group as a whole and as such no amounts have been recognised or disclosed within these financial statements.

**9. Interest payable and similar expenses**

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Other loan interest payable	382,168	188,667
	<u>382,168</u>	<u>188,667</u>

**10. Tax on loss**

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
<b>Corporation tax</b>		
Current tax on loss for the year	—	—
Adjustments in respect of previous periods	—	(110,575)
	<u>—</u>	<u>(110,575)</u>
Foreign tax suffered	—	1,304
<b>Taxation on loss</b>	<u>—</u>	<u>(109,271)</u>

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Tax on loss (continued)****Reconciliation of effective tax rate**

The tax assessed for the period is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Loss before tax	<u>(1,535,486)</u>	<u>(661,006)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(291,742)	(125,591)
<b>Reconciling items</b>		
Expenses not deductible for tax purposes	—	(13,269)
Overseas tax suffered	—	(1,304)
Adjustments in respect of previous periods	—	110,575
R&D tax credit leading to change in tax charge	—	—
Deferred tax not recognized	195,634	138,860
Other timing differences	62,282	—
<b>Total tax credit</b>	<u>(33,826)</u>	<u>109,271</u>

**Factors that may affect future tax charges**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**Unrecognized deferred tax asset on losses**

The Company has unrecognised deferred tax assets on losses for an amount of £3,529,006 (2021: £3,390,146).

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. Intangible assets**

	<b>Goodwill</b>	<b>Development expenditure</b>	<b>Other Intangibles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2022	—	101,596	5,404	107,000
Additions	1,467,256	1	—	1,467,257
At 31 December 2022	<u>1,467,256</u>	<u>101,597</u>	<u>5,404</u>	<u>1,574,257</u>
<b>Accumulated amortisation</b>				
At 1 January 2022	—	72,629	5,404	78,033
Charge for the year	195,634	15,944	—	211,578
At 31 December 2022	<u>195,634</u>	<u>88,573</u>	<u>5,404</u>	<u>289,611</u>
<b>Net book value</b>				
At 31 December 2022	<u>1,271,622</u>	<u>13,024</u>	<u>—</u>	<u>1,284,646</u>
At 31 December 2021	<u>—</u>	<u>28,967</u>	<u>—</u>	<u>28,967</u>

The Board of Directors of WithSecure Corporation (formerly F-Secure Corporation) decided to pursue a separation of its Consumer Security business through a partial demerger. The Consumer Security business was transferred into a new independent company named F-Secure Corporation ("F-Secure"). In connection with the Demerger, the Company carried on its Corporate Security business and was renamed as WithSecure Corporation ("WithSecure").

As part of that transaction there was a asset transfer to hive across trade and assets which was completed on 1 May 2022. The transaction value was £ 1.3 million and acquired net assets were £ -0.1 million. WithSecure Limited has recognized a Goodwill of £ 1.5 million as a result of the transaction. Acquired net assets consisted mainly of employee related liabilities. F-Secure (UK) limited issued a loan to WithSecure Limited for the transaction value. Loan is due to be paid in three years, or sooner if parties mutually agree.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****12. Tangible assets**

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2022	424,482	306,572	2,385,502	3,116,556
Additions	210,995	—	272,670	483,665
Disposals	—	—	(16,008)	(16,008)
At 31 December 2022	<u>635,477</u>	<u>306,572</u>	<u>2,642,164</u>	<u>3,584,213</u>
<b>Accumulated depreciation</b>				
At 1 January 2022	382,832	289,330	1,844,645	2,516,807
Charge for the year	25,461	13,275	349,457	388,193
Disposals	—	—	(13,639)	(13,639)
At 31 December 2022	<u>408,293</u>	<u>302,605</u>	<u>2,180,463</u>	<u>2,891,361</u>
<b>Net book value</b>				
At 31 December 2022	<u>227,184</u>	<u>3,967</u>	<u>461,701</u>	<u>692,852</u>
At 31 December 2021	<u>41,650</u>	<u>17,242</u>	<u>540,857</u>	<u>599,749</u>

**13. Investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2022	2,830,810
Disposals	(1,285,256)
At 31 December 2022	<u>1,545,554</u>
<b>Accumulated impairment</b>	
At 1 January 2022	(365,465)
Reversal of impairment due to disposal	365,465
At 31 December 2022	<u>—</u>
<b>Net book value</b>	
At 31 December 2022	<u>1,545,554</u>
At 31 December 2021	<u>2,465,345</u>

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Investments (continued)**

**Subsidiary undertakings**

The following were the subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
bytegeist GmbH	Weissenmoorstr. 7B, 26125 Oldenburg, Germany	Ordinary	100 %
WithSecure Pte. Ltd.	4 Robinson Road, #12-01, Singapore, 048543 (Singapore)	Ordinary	100 %
WithSecure Inc	113 Barksdale Professional Centre, Newark, New Castle, 19711 (US)	Ordinary	100 %

The principal activities of all the subsidiary undertakings is the same as the parent Company principal activity as described on page 1 of these financial statements.

F-Secure Cyber Security (Pty) Limited was sold on February 14, 2022. The total proceeds including deferred consideration from the South Africa divestment (that was finalised in February 2022) was £1.1m. An impairment of £365m was recorded in 2022 to reduce the investment balance down to its recoverable value as at December 2022.

**14. Debtors**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Other debtors	2,283,370	305,367
Deferred consideration from divestment of Government contract	890,318	668,782
	<b>3,173,688</b>	<b>974,149</b>

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****14. Debtors (continued)**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	4,712,628	3,124,850
Provision for doubtful debtors	(390,784)	(179,102)
Amounts owed by group undertakings	2,868,629	4,662,552
Other debtors	808,459	146,022
Deferred consideration from divestment of Government contract	557,992	526,888
Tax recoverable	159,590	203,141
Prepayments and accrued income	2,913,116	2,365,132
	<b>11,629,630</b>	<b>10,849,483</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Group maintains a cash pool arrangement which means that available funds are included in the Amounts owed by group undertakings. The other balances included in Amounts owed by group undertakings at 31 December 2022 consist of inter-company receivables with subsidiaries and the parent company.

**15. Creditors: Amounts falling due within one year**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	252,640	155,917
Amounts owed to group undertakings	2,866,256	3,300,836
Taxation and social security	1,203,394	896,148
Other creditors	522,050	1,201,045
Accruals and deferred income	6,138,196	3,690,352
	<b>10,982,536</b>	<b>9,244,298</b>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**16. Creditors: Amounts falling due after more than one year**

	<b>31 December 2022</b>	<i>31 December 2021</i>
	£	£
Amounts owed to group undertaking	10,250,000	7,700,000
Accruals and deferred income	—	679,075
Loans	1,335,000	—
	<u>11,585,000</u>	<u>8,379,075</u>

Amounts owed to group undertakings in more than one year represent a loan from WithSecure Oyj which is secured against all assets owned and controlled by WithSecure Limited.

The drawn down loan in 2022 has a maturity date of 31 December 2024, and the interest, at a rate of margin (per cent annum) plus 6 month GBP SONIA, is charged on the principal only and is settled periodically.

The drawn down loan prior to 2022 has a maturity date of 31 December 2023, and the interest, at a rate of margin (per cent annum) plus 3 month GBP SONIA, is charged on the principal only and is settled periodically.

The loan margin is benchmarked for the specific drawdown amount per the existing market conditions when a new drawdown of the loan is conducted.

As explained in note 11 and following the purchase transfer agreement, F-Secure (UK) limited issued a loan to the WithSecure Limited for the sales price. Loan is due to be paid in three years, or sooner if parties mutually agree.

**17. Financial instruments**

	<b>31 December 2022</b>	<i>31 December 2021</i>
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	10,976,012	9,955,085
Financial assets measured at FVTPL	1,448,310	1,195,670
	<u>12,424,322</u>	<u>11,150,755</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>20,563,099</u>	<u>15,966,550</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings due in more than one year, trade debtors, accrued income, other debtors and amounts owed by group undertakings due in less than one. Financial assets measured at FVTPL contain deferred consideration from the divestment of the UK government consulting business.

Financial liabilities measured at amortised cost comprise bank overdraft and loans, trade and other creditors, accruals and amounts owed to group undertakings.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****18. Called up share capital**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as equity</b>		
45,251,000 (2021 - 45,251,000 ) Ordinary shares of £0.001 each	45,251	45,251
12,000,000 (2021 - 12,000,000) Ordinary A shares of £0.001 each	12,000	12,000
6,260,130 (2021 - 6,260,130) Ordinary B shares of £0.001 each	6,260	6,260
1,099,019 (2021 - 1,099,019) Ordinary C shares of £0.001 each	1,100	1,100
	<u>64,611</u>	<u>64,611</u>

All share classes carry equal voting rights. In the event of a distribution of assets on a liquidation or a return of capital, the priority order of the shares is C class, B class, A class, Ordinary. The C class shares carry a preference amount as defined in the Articles of Association.

**19. Reserves****Share capital**

Share capital represents the nominal value of shares that have been issued.

**Share premium account**

Proceeds received in addition to the nominal value of the shares issued have been included in share premium.

**Other reserves**

The other reserve represents the elimination of the additional investment in F-Secure Cyber Security (Pty) Limited (formerly MWR Infosecurity (Pty) Limited), adjusted for the minority interest, made by WithSecure Limited in February 2016. The use of an 'Other reserve' gives more transparency regarding the nature of this reserve in the future since this reserve is not distributable. Please see further relevant details below.

**Merger Reserve**

WithSecure Limited's purchase of the remaining 25% ordinary shares in F-Secure Cyber Security (Pty) Limited (formerly MWR Infosecurity (Pty) Limited) in February 2016 was partially settled through an issue of shares in WithSecure Limited. The merger relief represents a proportion of the fair value of these shares issued allowed to be recognised in a separate merger relief reserve.

**Purchase of the remaining share capital of F-Secure Cyber Security (Pty) Limited (formerly MWR Infosecurity (Pty) Limited)**

In February 2016 WithSecure Limited purchased the remaining 25% ordinary shares of F-Secure Cyber Security (Pty) Limited (formerly MWR Infosecurity (Pty) Limited), previously owned by minority interests, for a total consideration of 2,438,875 ordinary shares of nominal value of £0.001 each in WithSecure Limited and £308,448 cash.

The nominal value of the shares issued has been recognised in share capital. The excess consideration paid has been allocated on a pro-rata basis to share premium (excess cash consideration) and merger relief reserve (excess share consideration).

**Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

**WITHSECURE LIMITED (FORMERLY F-SECURE CYBER SECURITY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****20. Capital commitments**

There were no capital commitments at 31 December 2022 (2021: No commitments).

**21. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contribution payable by the Company to the fund and amounted to £718,015 (2021: £754,441). Contribution totalling £125,192 (2021: £140,772) were payable to the fund at the balance sheet date and are included in creditors.

**22. Commitments under operating leases**

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2022 £	31 December 2021 £
Not later than 1 year	534,135	535,099
Later than 1 year and not later than 5 years	3,192,181	1,051,901
Later than 5 years	3,766,235	654,507
	<u>7,492,551</u>	<u>2,241,507</u>

**23. Related party transactions**

The Company has taken advantage of the exemption available in FRS 102 section 33.1A from disclosing transactions with fellow group subsidiaries

The Company has also taken advantage of the exemption available in respect of Section 33 Related Party Disclosures paragraph 33.7, and have not disclosed key management personnel remuneration.

**24. Post balance sheet events**

In first quarter of 2023, WithSecure carried out a global restructuring to improve profitability and competitiveness. As a result of the restructuring, 20 positions in the UK were reduced.

**25. Controlling party**

The immediate and ultimate parent undertaking and controlling party at the Balance Sheet date and the date of signing these financial statements is WithSecure Oyj, incorporated in Finland. In the Directors' opinion WithSecure Oyj is the controlling party.