

2021 year in review

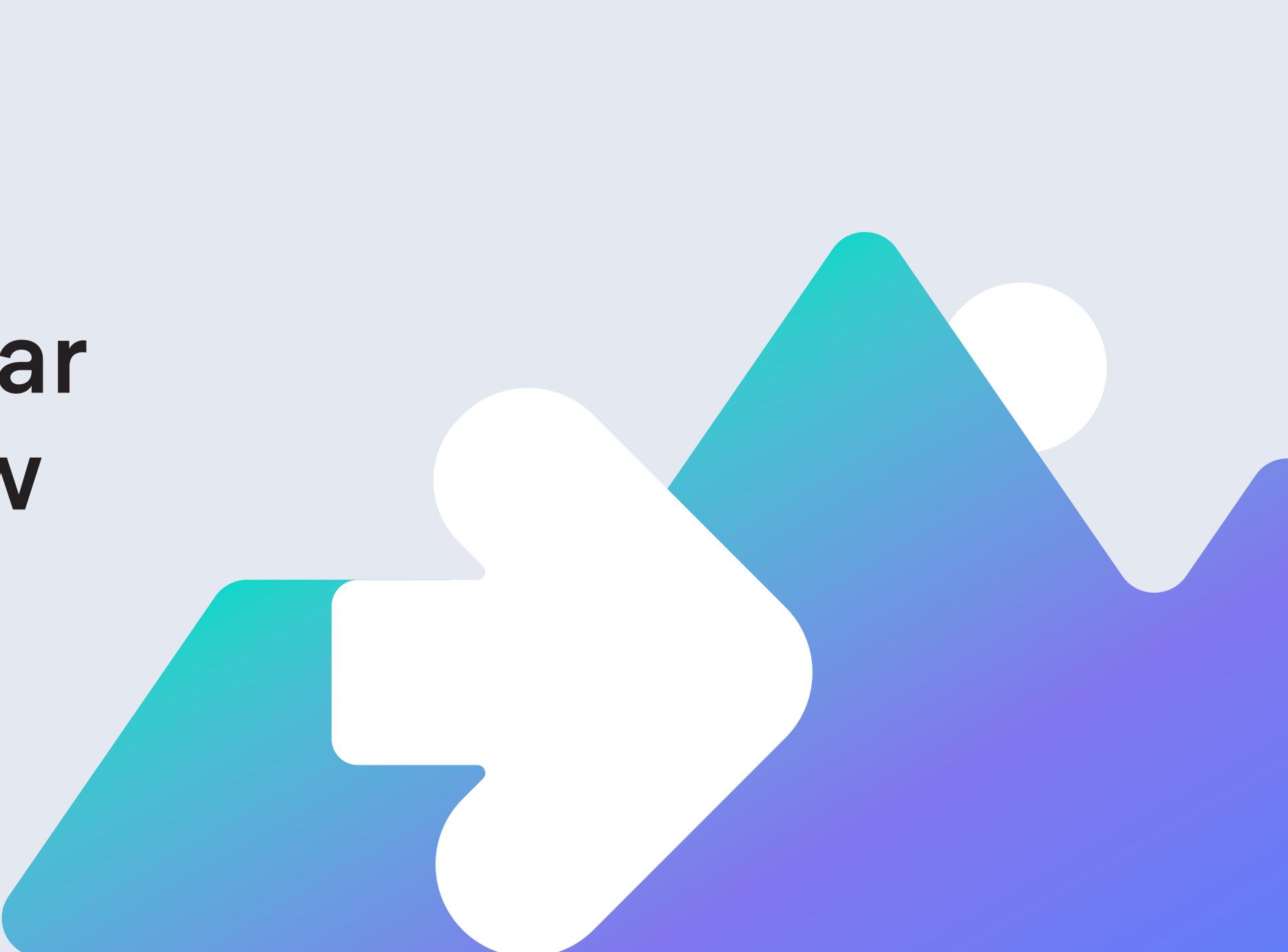


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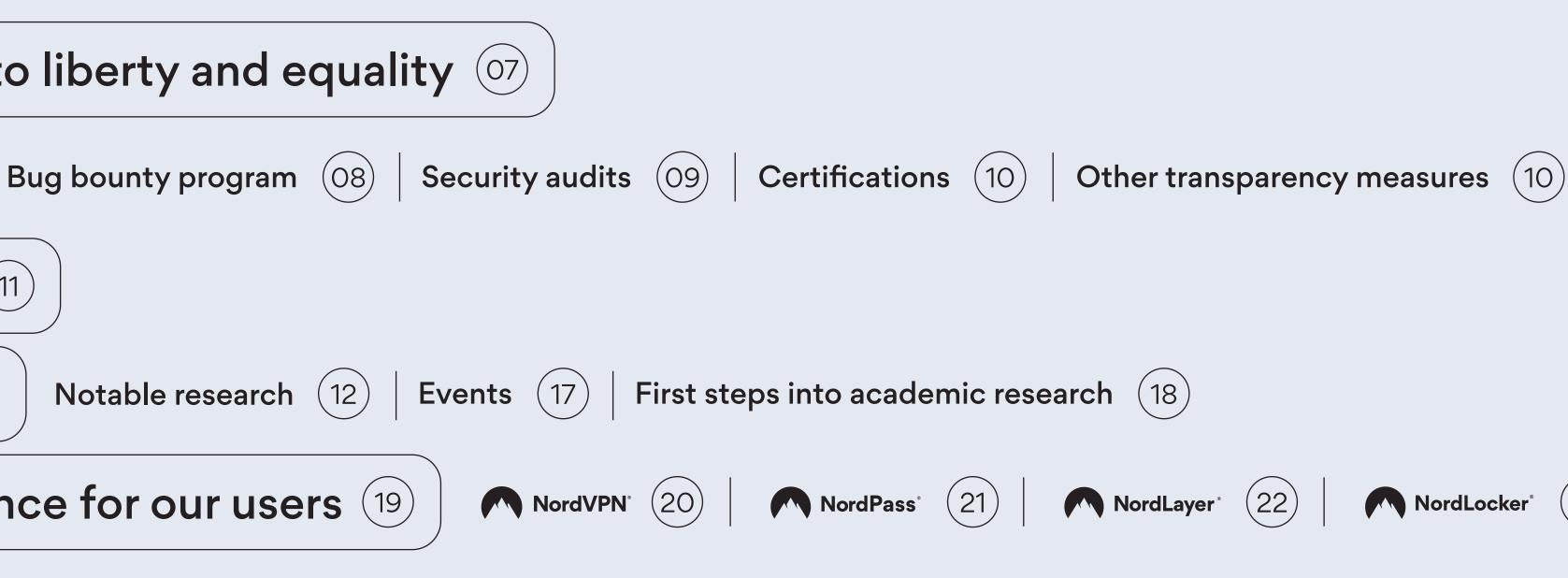
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Welcome word

A letter from the co-founders

It was a year of rebound and buildup for both individuals and businesses. In 2021, the world reconciled with the reality of living with the continued risk of the pandemic. Yet, instead of losing hope and giving up, people chose to embrace their digital lives. As a result, more time was spent on connecting digitally, ecommerce, and remote work — followed by a growing number of potential cybersecurity threats. Having a trusted brand guarding you on your digital journey is more critical now than ever before.

Maintaining our users' trust remained the fundamental aim of our family of cybersecurity products. Last year, we continued to make strides in building more trust and transparency in the market. Aiming to bring more clarity into the freemium VPN market, we incorporated the promising frontrunner Atlas VPN into our portfolio. We also expanded the size and the scope of our bug bounty program — it now includes both NordPass and NordLocker. Finally, we released an open-source VPN speed test tool for public review. A reliable and fast VPN connection is an essential feature for users. The transparency behind the speed benchmarking can help VPN providers focus on better tech optimization.

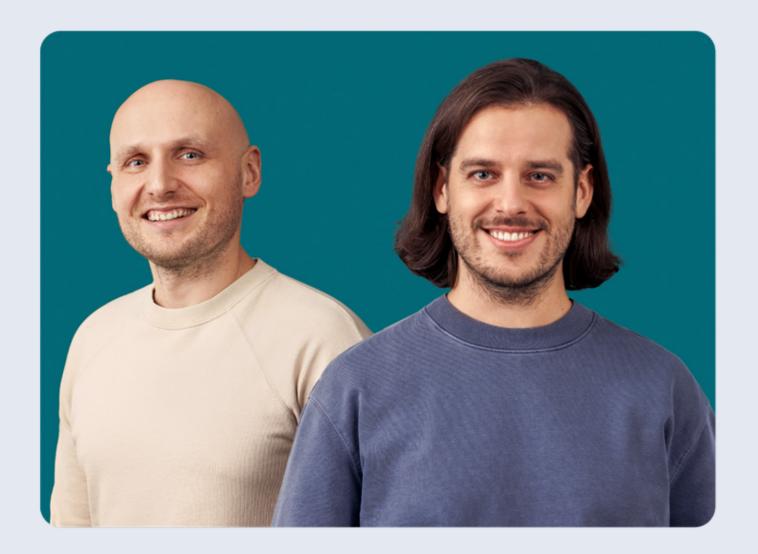
Last year also brought continued improvements to our product suite. One of the most significant changes happened to the NordVPN Teams division, which rebranded to the new name NordLayer. Originally launched as a VPN product for business, in 2021 it became a full-fledged solution, offering more cybersecurity features in the SASE framework. We remained on track in bringing service improvements to our users with new patented features of VPN tech. And we celebrated the fact that our team's collective efforts resulted in receiving significant ISO and ioXt certifications. In another notable mention, the team behind NordVPN used the opportunity of the buildup year to flesh out several unique features aiming to provide even more value to our users in 2022.



But no meaningful improvements can emerge without collaboration and knowledge sharing. This year was no exception. Apart from sharing our expertise at various tech conferences, we were glad to kickstart an international VPN day and bring even more attention to the entire VPN market. We also marked a natural next step for Nord Security, joining The World Economic Forum with an aim to provide and exchange our extensive cybersecurity experience. We also developed new partnerships with academic and educational institutions, which helps to support the next generation of cybersecurity talent.

Our continued commitment to supporting important causes remained strong as well. In cooperation with civil society organizations and partners fighting for gender equality in tech, we hope that our efforts helped make an impact.

One telling attribute of a buildup year is that a lot of effort and work that happens behind the scenes only becomes apparent the following year. And buildup we did. We worked hard to improve our services' quality, assembled new features, and fast-tracked novel ideas. So we have no doubts that 2022 will be a year full of exciting news and groundbreaking launches for our company, our products, and our users.



Tom Okman & Eimantas Sabaliauskas **Co-founders**

"Nord Security remains an industry leader and one of the most well-known names in the cybersecurity market. NordVPN is arguably the most recognized VPN product both within the industry and by consumers, with millions of worldwide installs. Especially at a time of unprecedented online attacks, the focus of Nord Security's product suite on encrypting and protecting data both in transit and at rest is an important part of protecting our online identities."

Troy Hunt Creator of Have I Been Pwned, an advisor for Nord Security





Just the numbers

256

team members joined Nord Security in 2021 Nord product accounts provided to people and organizations in need

Welcome word | Just the numbers

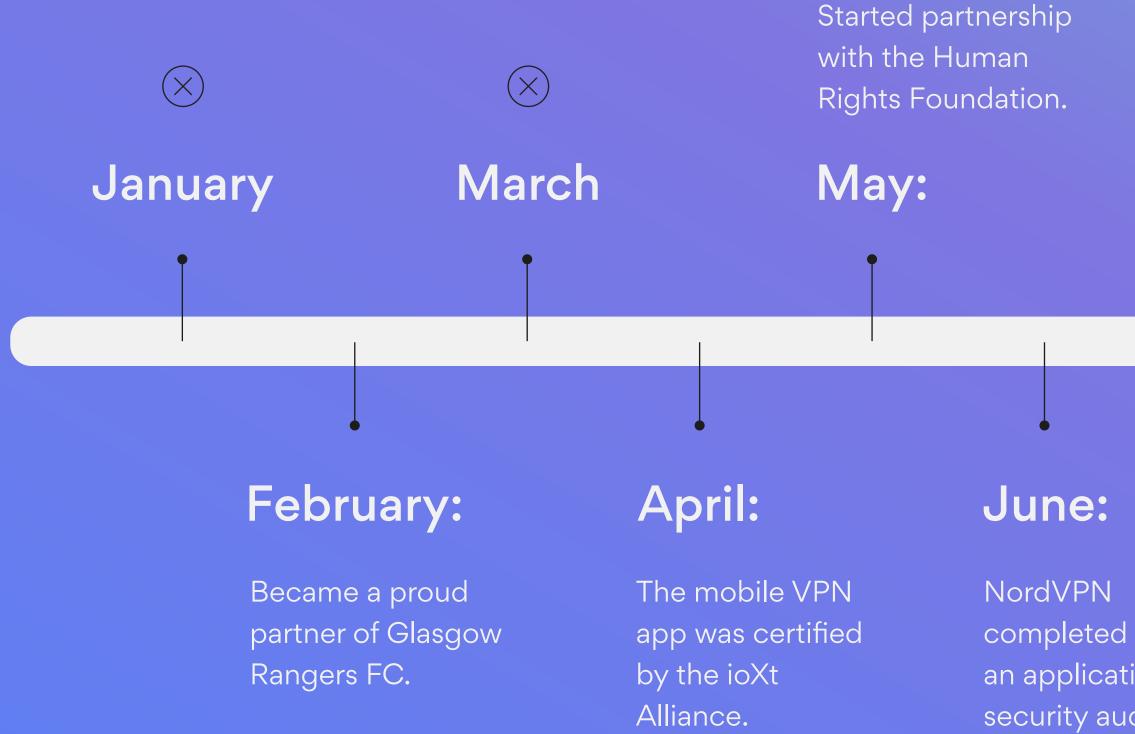
1,200+

VPN service improvement patents issued

4



2021 in a nutshell



2021 in a nutshell

	July:	September:	November:	
n.	United.	WiCyS conference.	went mobile.	
nip	sponsorship with Sheffield	reborn as NordLayer. Sponsored the	passwords of 2021. NordLocker	
	Secured a	NordVPN Teams	the most common	

an application security audit.

August:

Third-party logins for Nord Account. Kickstarted International VPN Day.

October:

Secured ISO 27001 certification. Incorporated Atlas VPN.

December:

NordPass reviewed

Opened an office in Berlin. Joined the World Economic Forum.









(06)

Continuous commitment to liberty and equality

In 2021, we've continued to support civil society organizations. Nord Security donated more than 1,200 accounts to individuals and organizations in need and forged partnerships with educational institutions, including Vilnius University, California State University, the Thapar Institute, KTU, and LCC.

We fought for gender equality in tech by supporting Women in Cybersecurity (WicyS), Global Women's March, Girls of South Bay Hacks (GSBHacks), and DIY Girls. In addition, we partnered up with Women Go Tech, a mentoring program dedicated to helping women to kickstart their IT careers. We supported Games 4.0, an annual convention by the EGD Collective, which uses gaming to build communities and grow leaders.

Nord Security is a proud supporter of the world's leading events on human rights in the digital age.





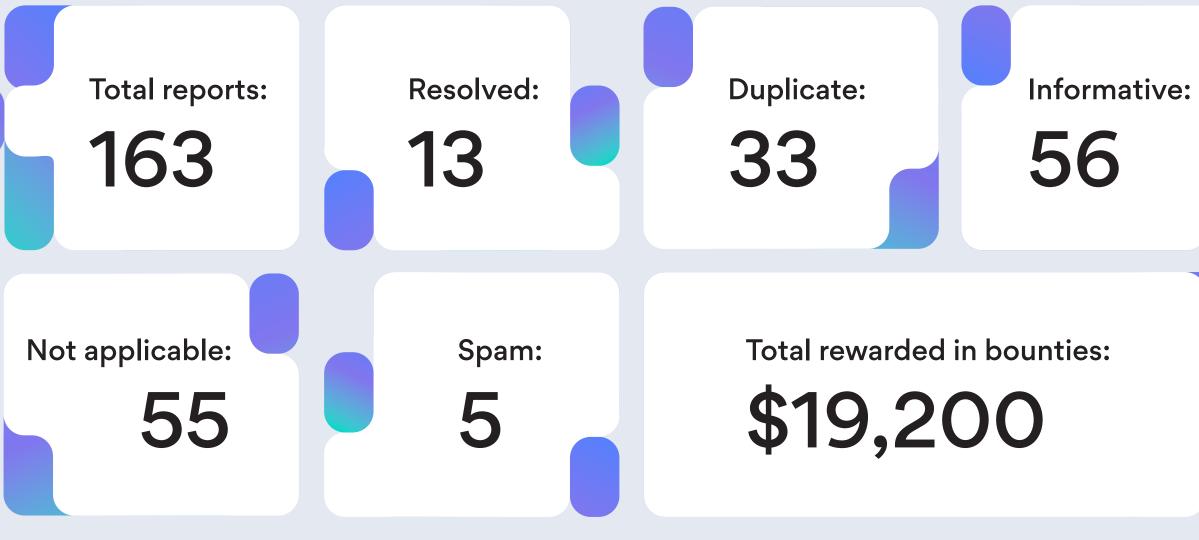
A foundation of trust

We place trust above all else when it comes to our users. Transparency, innovation, and oversight are key parts on our path to more openness.

Bug bounty program

Launched in 2019, our bug bounty program allows anyone to report bugs for a reward and help us build a safer online world. As we grow, so does the scope of our security measures. This year, we've expanded the bug bounty program to include NordPass and NordLocker. What's more, we've increased both the scope and the size of the program. Now ethical hackers can expect to get a reward of \$50,000 or more.

Bug bounty stats:



Severity:

3 critical	5 high	2 medium	3 low



Security audits

Since 2019, security audits have been integral to our transparency measures. 2021 was no exception.

NordVPN has completed an application security audit.

VerSprite, a global leader in cybersecurity consulting, performed a penetration test. VerSprite found no critical vulnerabilities.

Also, in December 2021, results from AV-TEST, the independent IT security institute in Germany, came in to confirm yet again that NordVPN provides its users the best speeds among other tested VPN service providers.

Security audits for NordPass & NordLayer.

In 2021, both NordLayer and NordPass underwent in-depth app security audits by NCC Group, global experts in information assurance and risk mitigation. We are proud to state that no critical vulnerabilities were found.

Earlier in 2021, NordPass Business went through an independent security audit by an auditing firm Cure53. The comprehensive penetration tests provided us with valuable insights into how our security practices can be improved.





Meeting and exceeding industry standards is one of our key goals. Certifications help us measure these efforts and inform our users about improvements to our products.

NordVPN's Android app received ioXt certification.

The ioXt Alliance's goal is industry-wide compliance with its security and privacy regulations. NordVPN is glad to be a part of that initiative, both as a partner and a certified product holder.

NordPass Business & NordLayer received ISO 27001 certification.

Our information security management system has been certified according to the ISO standard that ensures the continual improvement, development, and protection of information by implementing appropriate risk assessments, appropriate policies, and controls.

Other transparency measures

NordVPN released an open-source VPN speed test tool for public review.

This tool and the methodology behind it will hopefully eliminate the most significant issues when it comes to performing speed tests. We also invited other VPN service providers, researchers, journalists, and tech enthusiasts to participate in the ongoing development and refinement of this tool and methodology. Find more information in our whitepaper and the open-source code on GitHub.



Awards and nominations

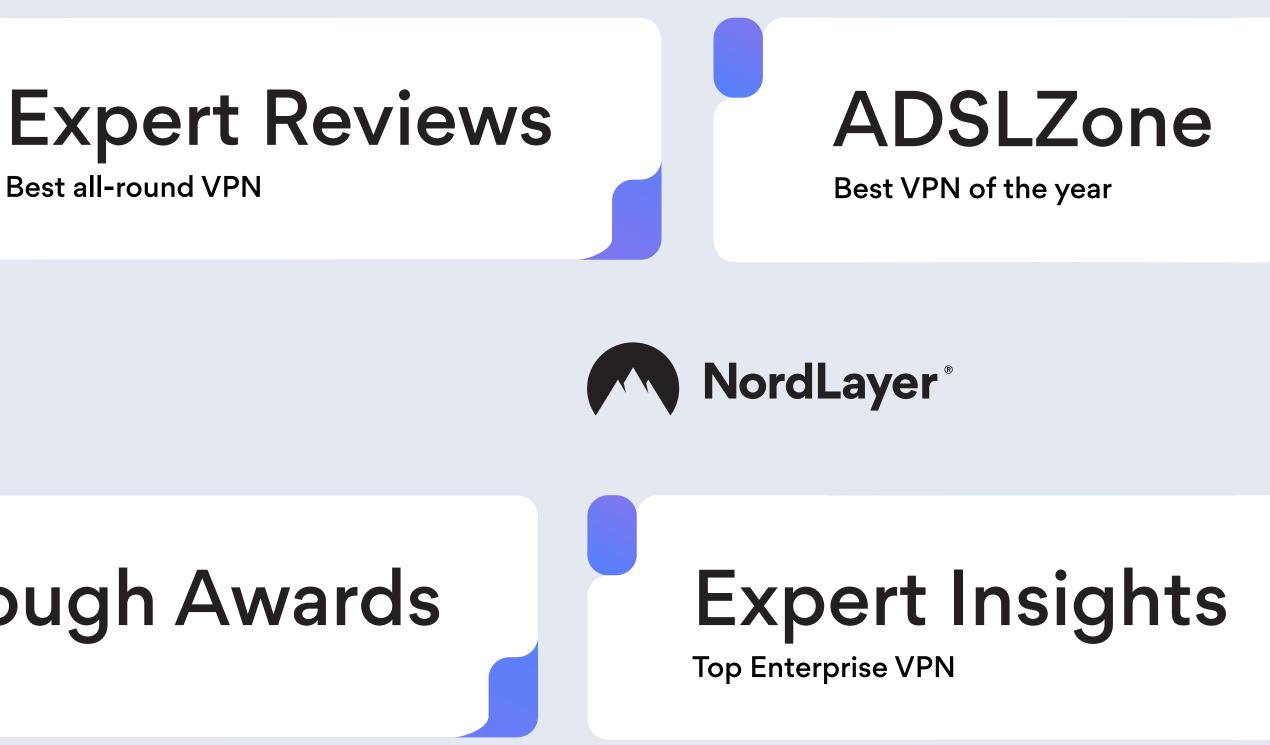


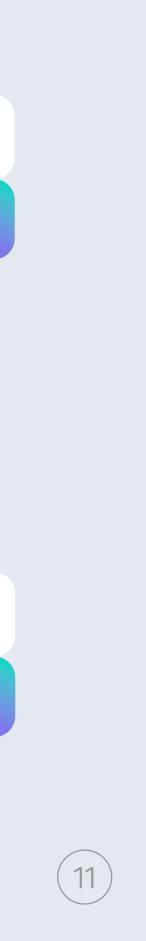




Cybersecurity Breakthrough Awards

Consumer Encryption Solution of the Year





Sharing our knowledge

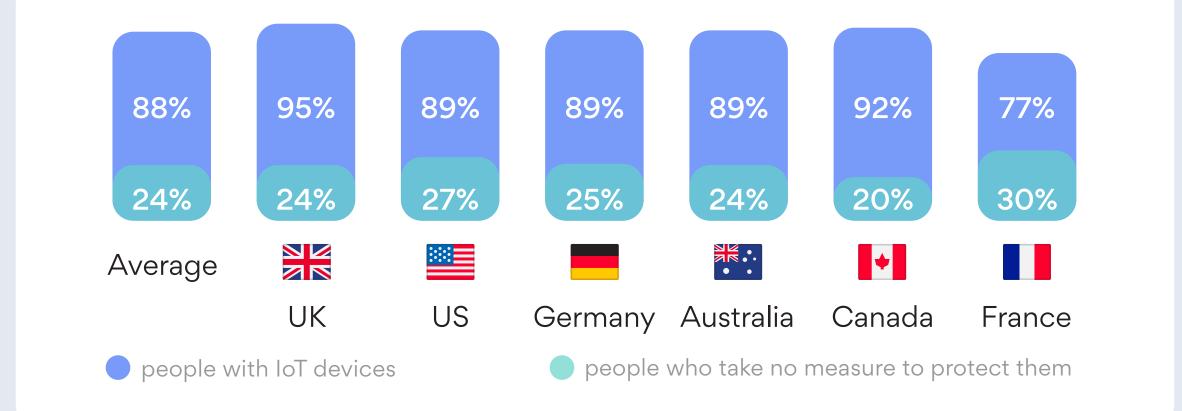
In 2021, NordVPN founded International VPN Day on August 19, which celebrates people's right to digital privacy, security, and freedom. But we understand that a day is not enough to take it all in – that's why VPN Awareness Month is here. We plan to use this time to educate people about online threats, internet censorship, and personal cybersecurity tools that protect their digital lives.

Notable research

Cybersecurity is a topic that's not only incredibly complex but also riddled with misconceptions like "I'm not famous, so nobody tracks what I do online." Like every year, in 2021, we worked hard to find relevant facts or numbers, analyze them, and share our findings with the public.

One fourth of people don't protect IoT devices

IoT devices are widespread and largely unprotected. A quarter of <u>respondents</u> take no measures to protect their IoT gadgets, which by their nature are extremely vulnerable to attacks.





Two thirds of people have privacy awareness

Internet users around the world took our National Privacy Test to test their online privacy awareness. Despite knowing well how to assess and react to online threats and knowing in theory how to stay safe online, people around the world have pretty poor cybersecurity habits and do not practice what they preach.

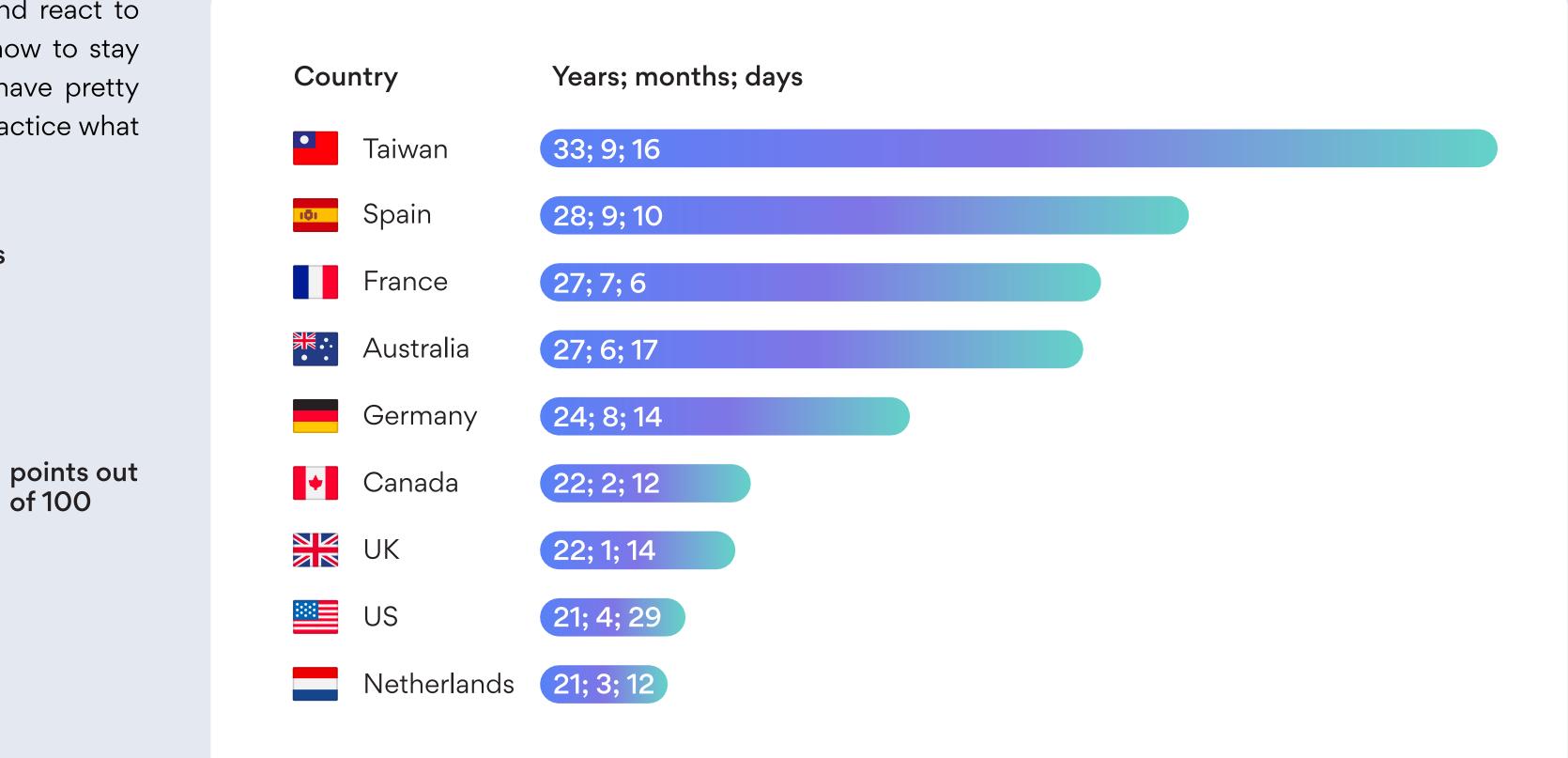
Digital habits

Digital privacy

awareness

26 years online

Our Lifetime online study revealed that a person, on average, spends 26 years of their life online. Streaming TV, using social media, and watching YouTube are the most popular online activities.



points out

of 100



"12345 or "qwerty"

Our research of the <u>200 most common passwords</u> showed that the most popular (which also happen to be highly unsecure) passwords remain sequential phrases, such as "12345" or "qwerty."



According to NordVPN's survey of 7800 people from 8 different countries, an astonishing 80% of them are worried about online tracking.

Rank

01

02

03

04

05

Things people worry are tracking them online



Password	Time to crack it	Count	
123456	<1 second	103, 170, 552	
123456789	< 1 second	46, 027, 530	
12345	< 1 second	32, 955, 431	
qwerty	< 1 second	22, 317, 280	
password	< 1 second	20, 958, 297	



Credit cards for \$10.50

An <u>analysis</u> of 4 million credit cards found on the dark web revealed that the average cost per stolen card is \$10.50. A total of 1.5M cards originated from the US, 600k from Europe, and 420k from Australia.

Payment card hack risk index around the world (max 1):

0,8 0,6 0,4 0,2 0,0 ÷ Russia N NS Hong Kong Australia Germany

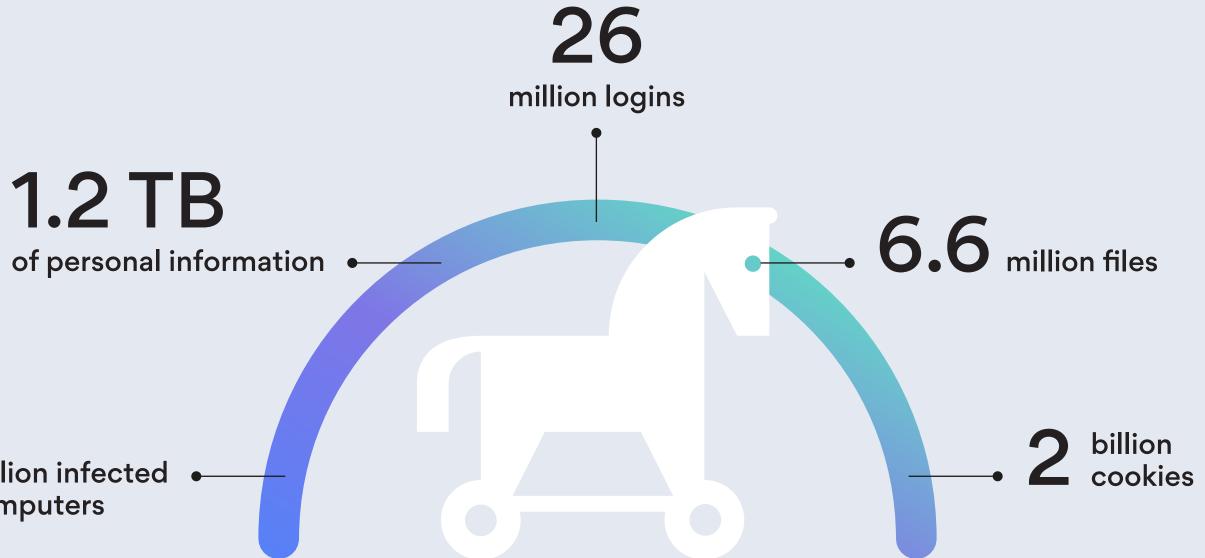
Fortune 500 passwords

A study of breaches that affected Fortune 500 companies revealed that even the most successful companies use poor password practices. Twenty percent of passwords were the exact name of the company or a variation of that name.

3M infected computers

Our <u>case study</u> of a Trojan that infiltrated over 3 million computers worldwide unveiled what damage computer viruses can actually cause. The malware stole 26 million login credentials, 2 billion+ cookies, and 6.6 million files.

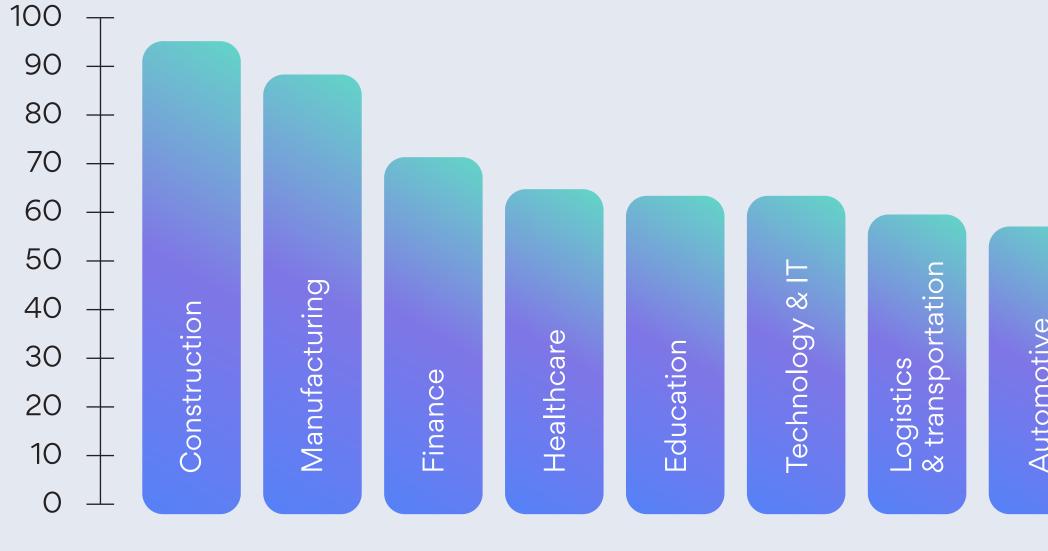
million infected • computers





Top industries hit by ransomware

Recent <u>ransomware research</u> on 1,200 attacks against businesses revealed the top 10 industries that are hit the hardest.



number of attacks (0-100)

Six-day work week

In most observed countries, employees work an extra hour a day compared to the pre-pandemic period, which adds up to an extra month and a half of work in a year, NordLayer found.

Before (h)

2021 (h)

			US Italy	8 8	10 10
IIVe	s s		France	8	9
Automotive	Municip services	services Legal	5pain	8	8.5 10
			Canada	9	IU



Events

In 2021, our colleagues shared their expertise at numerous conferences and webinars.

Highlights

Toma Sabaliauskienė, Nord Security's chief marketing officer, gave a presentation at LiMA CMO SUMMIT'21 and earned the title of best CMO in Lithuania.

NordVPN co-organized a special academic event in Paris — the "Technology, Security, and Ethics" workshop. Speakers included Alexei Grinbaum, a physicist and philosopher of science, and Edward Hunter Christie, a former deputy head of NATO's Innovation Unit.

German-Bal **Digital Sumr** Cyber Secu Accelerator "To be appraised by the top marketing experts in your local market is a huge honor and a great responsibility at the same time. In Nord Security's marketing division, we have more than 250 marketing experts working from all around the globe, so the expectation bar is already high. But when you lead the top talent, it feels like any problem is simply a challenge you haven't overcome yet. So this award encourages my team and I to continue to improve and strive to represent the incredible Nord Security products even better in the future." Toma Sabaliauskiene CMO at Nord Security

altic	IT-SA 365 conference	ITBN conference		
nmit in Munich	in Nuremberg	in Budapest		
urity r in Kiev	Tech Talks Berlin	The first-ever Nord Security Tech Days		





Sharing our knowledge | First steps into academic research

First steps into academic research

Nord Security sponsored an academic paper titled "Ethics of Adversarial Machine Learning and Data Poisoning." It was co-authored by Rajvardhan Oak from Microsoft and Laurynas Adomaitis, our own AI ethics researcher.

The paper was first virtually presented at the CEPE/IACAI 2021 conference in Hamburg. It was then accepted for submission for a special issue of Digital Society, a prestigious journal published by Springer Nature. The paper is currently undergoing peer review.



Providing a better experience for our users

To improve product accessibility for our users, NordVPN partnered up with Yahoo and launched digital codes on Amazon in Europe — it's the first VPN brand to do so.

While on the business front, Nord Security opened a channel sales department and onboarded the first B2B channel sale partner — Telarus, the largest privately held technology services distributor in the United States — to provide business customers with cutting-edge cybersecurity solutions. Furthermore, to reach more business clients and help them make the right security decisions, Nord Security partnered up with AVANT, the leading IT decision-making platform.

Providing a better experience for our users







In 2021, NordVPN continued to improve the user experience. Its apps for Android and iOS introduced a special graph that shows how much time they've spent browsing safely.

First introduced in 2020, the colocated server network has undergone rapid expansion. Sixty-eight percent of NordVPN servers are 10Gbps. All the US, UK, the Netherlands, France, and Japan servers are 10Gbps.

NordVPN started running natively on Apple's silicon. Plus, we introduced the Edge browser extension.

We implemented a new multi-factor authentication method — a physical security key. Nord Account also started to support third-party logins, allowing users to skip the registration process by accepting third-party credentials.

"Working in the tech field can be an incredibly fulfilling experience, even if it can also be somewhat challenging from time to time. Of course, it helps if you have the right motivation. In my experience, the two best motivators are being able to impact the meaningful tech used by millions of people and having



a free and encouraging atmosphere in which to experiment with ideas and initiatives. Nord Security thrives on retaining its tech talent because it has both."

Karolis Pabijanskas Lead SRE at NordVPN







Our password manager implemented a series of new features and upgrades.

With Web Vault, users can access their passwords directly from the browser. Emergency Access — a crucial addition to NordPass — lets users grant other NordPass users (for example, a trusted family member or friend) access to their vault in case of an emergency.

Machine learning autofill has significantly improved in 2021. The autofill engine now automatically categorizes the field that it needs to fill in, whether a sign-up, login, credit card, or personal information form. **NordPass Business** introduced NordPass Enterprise, a password management solution designed to satisfy the cybersecurity needs and challenges of a large enterprise. The User Provisioning feature helped make user onboarding and offboarding in NordPass Enterprise effortless.

Data Breach Scanner for business now informs companies when their emails or passwords appear in data breaches. Security Dashboard reveals the company's internal security insights. Mobile Access allows businesses to access NordPass on iOS and Android.





Previously known as **NordVPN Teams**, the product began as a reliable VPN service for business. In 2021, we expanded its cybersecurity features and outgrew the name — a VPN is now just one of the components in our full-fledged solution. That's why we have changed the name to **NordLayer.** The rebrand marks our move towards the secure access service edge (SASE) framework, the industry standard in cybersecurity for organizations.

In addition, NordLayer implemented the Wireguard protocol, which utilizes advanced protocols and open-source software to create private networks with a low surface area for attack.

We introduced the ability to log in with biometrics like face recognition and fingerprint scanning. In addition, the new Smart Access feature allows our users to connect endpoint to endpoint when on the same server.



In 2021, NordLocker introduced the Space Saver, which allows users to offload their files into end-to-end encrypted cloud storage and only download files when they need them.

Web Access is another new feature, and it lets users access their encrypted files directly from the browser on any device. Finally, NordLocker went mobile by releasing wrapper apps for both Android and iOS, allowing users to access their encrypted files on the go.



Thank you

We are going to keep on innovating in 2022. Nord Security will continue to support free speech and digital security around the world by providing cybersecurity tools to everyone who needs them. We wish you all a successful and secure year!

Follow our journey:



For inquiries, please contact: press@nordsec.com